

THE GEOGRAPHICAL ASPECTS OF THE TRANSFORMATION PROCESS IN CENTRAL AND EAST-CENTRAL EUROPE

edited by Tomasz Michalski

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Preface

The Department of Regional Development Geography, University of Gdańsk, has been enhancing its cooperation with other institutions doing research into changes in European post-communist countries since the very beginning of its activity. As a result, a few conferences have been held, numerous papers have been issued and a few books have been published. The book which has just been published deals with the above mentioned subject.

The book analyses chosen aspects of transformation processes in European post-communist countries. The first chapter serves as an introduction and discusses main social processes which have been carried out in European post-communist countries. All chapters are divided into four parts.

The first part consists of three chapters devoted to transborder cooperation. This is a very important issue which is relatively new in the analysed part of Europe. During the communist era state borders served as barriers between nations. Citizens deprived of permanent passports had to apply for them each time they wanted to leave their countries. The permission was granted mainly on the basis of political affiliation. The collapse of the communist regimes entirely changed the situation regarding human rights, including the right to cross borders. As a consequence, transborder cooperation started to develop.

The second part includes seven chapters which analyse chosen aspects of changes in demographic and social situations in European post-communist countries. Transformation processes have caused considerable demographic deterioration whereas social situation has improved, particularly with regard to religious freedom as well as ethnic minorities' rights.

The third part is made up of nine articles in which their authors discuss political and economic aspects of transformation processes. Nations and governments of this part of Europe, in spite of their indisputable successes, still face serious challenges. The main hindrance, which the analysed countries face, is the necessity of carrying out further economic reforms in order to fully transform the centrally steered system into a free market economy. At the same time post-communist countries have to live up to certain expectations and requirements imposed by globalization processes. As far as political situation is concerned, most of the post-communist countries have managed to free themselves from the So-

viet domination. On the other hand, the political internal scene and public safety still leave a lot to be desired.

The last fourth part of the book consists of three articles on territorial planning and protection of the environment. Both aspects of economic activity in their spatial dimension were so important during the communist rule that they were controlled by the central authorities. Little attention was paid to the role and specific features of particular regions. Problems of protection of the environment were notoriously neglected.

The editor has decided to incorporate all the articles in their original versions, as provided by the authors.

It is my great pleasure to express very special thanks to Dr hab. Tadeusz Palmowski from Department of Regional Development Geography, University of Gdańsk (Poland) and Prof. Alexandru Ilieș from Department of Geography, Tourism and Territorial Planning, University of Oradea (Romania) for their involvement and invaluable support which were indispensable to those who contributed to the publishing of this book.

Tomasz Michalski

Tomasz Michalski

A Geographic Approach to the Transformation Process in European Post-Communist Countries

Instead of introduction – Occupation and enslavement by the USSR

Nations of the Middle and Mid-Eastern Europe lost their freedom and were subjected to the rule of the USSR after World War II. The Soviet rule lasted until 1980 when the Solidarity movement in Poland started their sweeping changes. It took almost ten years to bring freedom and sovereignty to most of the previously enslaved countries.

The political situation in communist countries was far from being uniform (Table 1). On the one hand, there were countries which did not stand a chance of sovereignty after World War I (Ukraine, Belarus) or were annexed in 1940 by the USSR (Lithuania, Latvia and Estonia). Bessarabia shared the plight of the above mentioned countries when it was separated from Romania and became part of the USSR. On the other hand, there were countries which were “sold” to communists in the course of the second world war by the USA and Great Britain. It was made a legal treaty during “peace” conferences in Teheran and Yalta. As a result, such countries as Poland, Czechoslovakia, Hungary, Yugoslavia, Albania, Roma-

Table 1. Degrees of enslavement of European nations by the communist system after 1945 (classification according to the present list of countries)

Situation	Countries
The country which considers itself the heir of the former USSR	Russia
Countries constituting part of the former USSR	Lithuania, Latvia, Estonia, Belarussia, Ukraine, part of Romania (Moldova)
Countries totally subjected to the former USSR	Poland, the Czech Republic, Slovakia, Hungary, Romania, Bulgaria, part of the Germany (the former DDR)
Countries which freed themselves of the former USSR but retained communist system	Slovenia, Croatia, Serbia and Montenegro, Bosnia and Herzegovina, Macedonia, Albania
Countries which retained the free market economy but were forced to be neutral and consult their foreign affairs policy with the former USSR	Finnland, Austria

Source: Author's own study.

nia and Bulgaria became theoretically independent but in reality they were controlled by the USSR. Within a few years Albania and Yugoslavia got rid of the Soviet control but it hardly influenced the plight of these two nations as they were still governed by communists. The reasons for controlling Germany and Austria were slightly different. After the collapse of Hitler's Reich both countries were divided into occupation zones. In the case of Austria the occupation zones were unified to form one country. In turn, Austria was to remain "neutral" towards the USSR. Finland, for other reasons, also had to maintain "neutrality".

The main aim of this paper is to show broadly understood social changes in their spacial aspect after the collapse of the communist system in Europe. It was not until 1989 when nations in this part of Europe began regaining their identity and actual independence.

The process itself is complex and takes various directions. There are countries which are close to its completion, but in some other countries reforms seem to have come to a halt. Therefore, it is extremely difficult to set a strict time limit to how long the process may last. This paper assumes the following time points: 1990 (when the first non-communist government in this part of Europe in power in Poland for the whole year) and 2003 (the last year before some countries of this region joined the EU). The territory range covers all European post-communist countries excluding GDR (which was incorporated by Germany) and Russia (whose authorities consider themselves to be successors of the former USSR). Yet, Russia is sometimes included into analyses for reasons of comparison, like the EU – 15 countries.

As a full analysis goes beyond the recommended limits of an article, the author's research concentrates on a few, in his view, important issues. The research takes into account three aspects:

- socio – political;
- socio – economic;
- demography and health.

Socio-political changes

Most of the European post-communist countries were enslaved by the communist regime for over fifty years, i.e. since the times of World War II. To be more precise some of them (Eastern Belarus, Eastern and Mid Ukraine) lost their independence even earlier, at the end of World War I. Such a long period caused a widespread cultural devastation which contributed to the creation of a new kind of man. Prof. Tiszner called him *homo sovieticus*. One may say that the evil heritage of communism is still valid until the legacy of *homo sovieticus* is not overcome and done away with. There are numerous ways of getting rid of this legacy within the socio-political sphere. The most affective are given below.

One of the typical features of the analysed countries was to subordinate the army to the communist party authorities. No wonder new governments in most of the post-communist countries made every effort to limit the leading position of commu-

nists in the army. Poland, former Czechoslovakia and Hungary were the first countries (1989) which did away with political military boards and political organizations in the army (Z. Trejnis, 2003). Besides, governments of many countries started to make abrupt demands for the removal of the soviet troops from their bases located in post-communist countries. The situation was very difficult particularly in those countries which were part of the former USSR (cf. M. Sobczyński, 2002). This process of the removal of the former Soviet troops has not been finished yet. Suffice to say that a huge Russian military base still operates in Sevastopol (Ukraine). Similarly, the separatist Republic of Transnistria in Moldova (Figure 1) does not allow the president of this country to enter the Republic.

In all eight analysed countries it took as long as two years after the collapse of the communist system to reform the law concerning operational rules of political parties and the organization of the election system. A quick and spontaneous process of setting up new political parties was another typical feature of the region's countries. The emergence of numerous political parties did not stabilise the political system but let the former communists to continue their efforts to



Figure 1. The main street of Tyraspol (the capital of the Republic of Transnistria in Moldova) with the symbols of this "state"

Source: The photograph taken by the author.

regain political power. On the other hand, some countries saw a successful political comeback of right-wing Christian Democratic and agrarian parties. For example, Christian Democratic Party in 1994 in Lithuania was third biggest party in that country (A. Jankauskas, 1996). In most of the post-communist countries the first democratic election was won by political groups and parties which had been members of the anticommunist underground movement. J. Wojnicki (2003) draws the reader's attention to direct relations between the stability of the political system and the progress of market reforms in a given country. The rule is that those countries which have made the greatest progress on their way to free market economy have, at the same time, the most stable political systems. One should also not underestimate slightly different ways of understanding democracy and freedom in particular countries (see: A. Bianchetti, D. Lombardi, 2002; J. Wendt, 2004). Here, examples of how rules of freedom and democracy may be taken to the extremes are shown by present leaders of Russia and Belarus.

Reforms of the legal system play a very important role in transformation processes taking place in post-communist countries. Their importance comes from the fact that during the communist era the independence of judges and prosecutors was fictitious as they had to serve the ruling communist party. These were reasons why reforms of the legal system paid so much attention to the independence of judges. The enforcement of human rights and legal regulations of market economy including privatisation processes were of no less importance (see: I. Malinowska, 1996).

In general, most of the countries have succeeded in passing many reformist legal regulations. Unfortunately, the practical implementation of the newly adopted regulations proved difficult and sometimes unsuccessful. It is mainly due to moral vacuum and lack of respect for legal order which have been inherited from the communist system. As a result social pathologies are spreading around: crime increase, corruption, informal business connections, political extremes, etc. (K. A. Wojtaszczyk, 2003).

The mass media market has seen changes of two kinds. Firstly, free and independent mass media have appeared. It even has led to the effect of synergy, when the mass media free from censorship have become one of the most important guardians of freedom. G. Edelstam (2002) draws our attention to the fact that the mass media are not only about scandals and scoops but also about providing the public with full information concerning legal changes. One of the examples of how the press may affect the political establishment was the bribe scandal revealed by "Gazeta Wyborcza". That was one of the reasons which made the post-communist government in Poland led by L. Miller to resign in 2004.

Another change concerning the mass media market is related to their ownership. New owners of the mass media appeared on the market (they mainly came from western European countries and represented big media corporations) at the same time when most of the governments strove to gain control over the theoretically public television. The latter process happening in democratic post-commu-

nist countries was particularly evident in Croatia when F. Tudman was in government (see: G. Vilović, 2002).

A characteristic quality of changes affecting the social sphere is the creasing activity of local communities. Incentives may come from upper or lower levels of a country. Revival of local governments is stimulated by upper level organizations while forming NGOs is the initiative of local communities.

Local governments during the communist rule were quite fictitious (see: A. J. Kozłowski, 1997). It was not until the collapse of the communist system when parliaments of particular countries started passing laws on forming real local governments. However, the process is not smooth as political elites in capital cities are used to exercising as much power as possible from the capital city. Transferring financial resources to lower levels of central and local governments meets enormous difficulties. The situation created by "Orange Revolution" in Ukraine may be considered to be a model example of such problems (for example in the sphere of legal regulations concerning local governments: Політична палітра Львівщини, 2003).

Local initiatives aiming at setting up NGOs were always regarded by the former authorities as a threat to the leading role of the communist party and its supporting organizations. Most of the currently existing NGOs in post-communist countries deal with health care, social care and education. This type of NGOs in Poland constituted more than half of all organizations (S. Rzyński, 2004). There are, however, a few post-communist countries where real reforms have not been introduced so far. In these countries NGOs are still seen as a threat to their governments. The first social strategy for the development of cities in Belarus may serve as a good example of the above mentioned thesis (see: Барысаў і рэгіён. Стратэгія разьвіцця, 2004).

The most evident effect of political changes in post-communist countries – from the international point of view – was the dissolution of the Warsaw Treaty Organization and gaining admission to NATO by eleven countries. In 1990 GDR joined NATO after the reunification of Germany. Poland, The Czech Republic and Hungary followed suit and joined NATO in 1999. Even more countries joined NATO in 2004 including Slovenia, Romania, Bulgaria, Slovakia and three countries which fifteen years before were part of the USSR: Estonia, Latvia and Lithuania. Russia is still losing its influential position which is confirmed by the result of the recent election held in Ukraine, Georgia and to some extent, in Moldova. In all these countries the winning politicians declared their pro-western stance. Another good example of the process of political changes are attempts to revive GUUAM¹.

¹ GUUAM was set up in 1997 to counterbalance Russia's dominance of the countries which became independent after the dissolution the USSR. It is hardly been active for a few years. At present Georgia, Ukraine, Azerbaijan and Moldova are its formal members. The revival of GUUAM seems possible in the light of democratic revolutions in Georgia and Ukraine as well as a pro-Western turnabout in Moldova's politics. Although the summit held in Kishiniov (22.04.2005) did not strengthen the organization it proves the alliance to be active. It becomes clear that new political authorities of Ukraine strive to take over the regional leadership. GUUAM seems to be a good tool to achieve this goal (information based on the report by J. Wróbel; Center for Eastern Studies in Warsaw, <http://www.osw.waw.pl/pub/koment/2005/04/050428.htm>).

Socio – economic changes

In the late 80s of the last century it became obvious that a centrally planned economy based on socialist principles in their communist version is inefficient (more information in: I. T. Berend, 1996; A. Biagini, T. Guida, 1998). Shortage of goods and insufficient supply of services led to the introduction of coupons in some countries for certain goods over long periods of time (coupons were quite common during the period of martial law in Poland after 1981).

The process of transition from socialist rules of economy to capitalist free market required profound reforms in almost all spheres of economic activity including:

- sweeping reforms in the sector of large scale production where the industry and agriculture needed restructuring and services required freeing from state control;
- changes in the financial sector – for example: organizing a modern banking sector and setting new rules of co-operation with foreign countries;
- changes in the legal as well as administrative systems – for example: creating a new tax system.

Post-communist countries differ greatly in respect of the advancement of economic reforms. It is due to several reasons of which two seem to be the most important: political stability and election of the government.

Internal unrest has caused a long-term pause in carrying out economic reforms in: Serbia and Montenegro, Bosnia and Herzegovina (long lasting war); Macedonia (problems with Albanian minority); Albania (a financial crisis in 1997 and riots caused by fraudulent “financial pyramids”); Moldova (partly under the control of the Russian army); to a smaller extent Croatia (a short war with the former Yugoslavia or, being more exact, Serbia).

Fortunately, large scale political unrest was avoided in Lithuania, Latvia and Estonia although Slav minorities, which had been left by the former Russian occupant, were expected to cause trouble. Slovenia’s separation from the former Yugoslavia and the division of Czechoslovakia were also successful. Undoubtedly, almost bloodless dissolution of the former USSR appears to be the greatest success. It also shows how artificial this country was.

After having regained their sovereignty or independence all post-communist countries started their reforms. The deepest reforms were seen in the former GDR after it had joined its Western counterpart. This part of Germany after its unification did not show any tangible signs of success in terms of social and economic progress. The territory of the former GDR has sucked in a large amount of financial support but it has not brought the expected results. Most of the territory suffers from depopulation whose pace is fast. If we do not take into account the specific case of the former GDR, then the analysed countries can be divided into several groups (Table 2). The worst situation is seen in Belarus, where Łukaszenka’s regime is doing their best to deprive the country of economic re-

Table 2. The division of European post-communist countries according to the degrees of advancement of economic reforms

Type	Countries
Completed reforms	part of Germany (the former DDR)
Reforms close to completion	Poland, the Czech Republic, Hungary, Slovakia, Slovenia, Estonia, Latvia, Lithuania
Advanced reforms	Romania, Bulgaria, Croatia
Actual reforms have just begun or have been declared to start shortly	Serbia and Montenegro, Bosnia and Herzegovina, Albania, Macedonia, Ukraine, Moldova
Lack of reforms	Belarussia
Turning back from advanced reforms	Russia

Source: Author's own study.

forms and in Russia, where the state is increasing its control over the economic activity after the defeat of liberals (cf. A. Ципко, 2004). It becomes obvious that the most advanced reforms have been carried out in those countries where anticommunist opposition took over political power. In contrast, the countries, where post-communist formed their governments, saw a prolonged period of seeming reforms which led them to a deep crisis. Consequently, the population of these countries has become poorer. A good example of this kind of mechanism is Bulgaria where communists were in government in the early 90s of the last century. This period was characterized by a considerable drop in the production of all economic sectors in Bulgaria. The economic situation was particularly unfavourable in the years 1966–1967. Numerous negative economic processes emerged to mention only the most important: a very sharp decrease in the production volume and GDP; the greatest depreciation of the Bulgarian currency (the lowest level was reached in February 1997 when \$ 1 was worth almost 3000 levas); the collapse of the banking system and the highest inflation (the peak value was reached in February 1997 with its three-digit indicator – 2505). The economic situation changed for the better in the middle of 1997. One of the first financial decisions made by the new non post-communist government was establishing a stable relation between leva and the German mark. Then came the next step which was the leva's denomination (1000 "old" levas = 1 "new" leva). Still, there was a stable exchange rate showing the Bulgarian leva's value against the German mark (after the introduction of the new European currency Euro was used instead of the German mark). After a few years Bulgaria saw a macroeconomic stability leading to further progress (M. Ilieva, T. Michalski, 2002).

The most painful outcome of economic changes was unemployment. Unemployment did not officially exist in all analysed countries. When the communist system collapsed the situation on the labour market in the above mentioned countries became similar to the rest of the world. The dynamics of unemployment divided the analysed countries into three groups. Theoretically, the best situation is enjoyed by these countries which have retained a lot of state control over their

economies. This, in turn, makes reforms very weak and superficial. Old establishment is maintained to favour big and unprofitable state firms. Belarus seems to be the best example of such countries. Countries ruined by wars with unstable internal situation make up another group. Here Macedonia as well as Bosnia and Herzegovina may serve as a good example. However, the majority of the post-communist countries do not go to extremes and stay somewhere in the middle. They differ in terms of the pace of unemployment which may rise quickly (Hungary) or slowly (the Czech Republic). The intensity of unemployment also differs. On the one hand, there are countries which show medium rate of unemployment (Hungary and the Czech Republic). On the other hand Croatia has a high rate. Not surprisingly, high rates of unemployment are observed in the countries which have carried out reforms, but they have been either too slow or there were various anomalies in their political systems (Figure 2).

The least changes were needed in the service sector because in many post-communist countries services have always been private businesses. A much worse situation characterised industry and agriculture.

T. Strykiewicz (1999) analysed the Polish industry as it was when economic reforms started. The following structural characteristics were identified:

- the structure of industrial branches was distorted as the industries which used up too much energy and materials were too big while consumer industries were neglected;

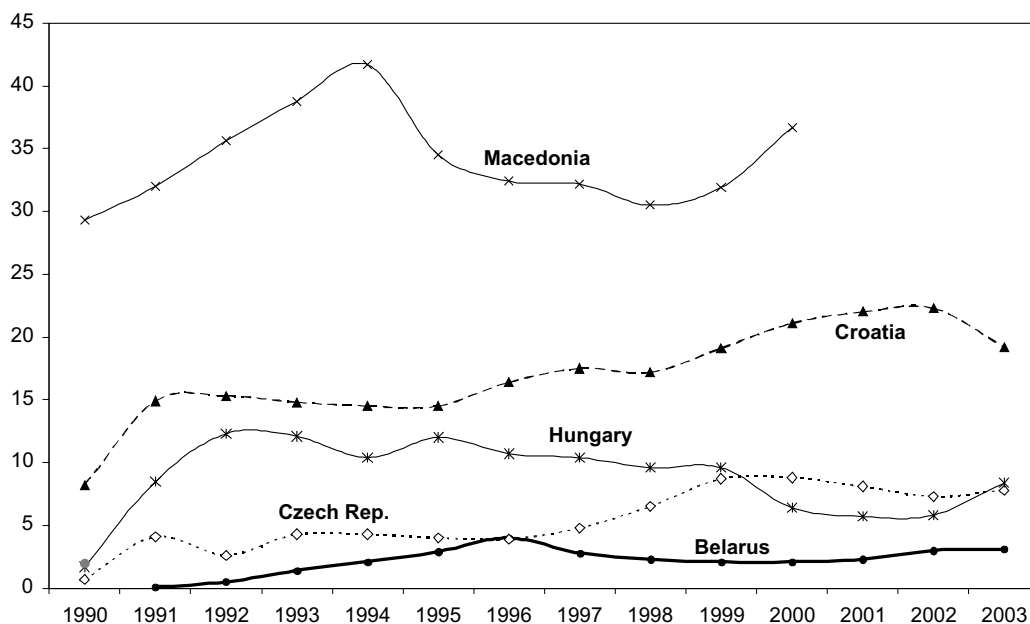


Figure 2. Unemployment rate in % in chosen post-communist countries in the years 1990–2003

Source: Author's own study based on European Health for all database, 2005.

- the state sector, as a form of ownership, prevailed;
- the main drawback of the industrial structure was predominance of big firms which overwhelmed medium and small firms;
- the organizational structure favoured monopolization of the internal market and production;
- the main drawback of the spatial structure was excessive concentration of industrial production in old centres without making any efforts to restructure them.

The above mentioned analysis matches also the remaining post-communist countries. There is, however, one vital difference concerning those countries where large state structures were divided into smaller ones. Broken co-operational links with other countries made their situation even worse. This remark concerns countries which were formed on the territories of the former USSR and Yugoslavia rather than the former Czechoslovakia.

In the era of the third industrial revolution innovations are a very important factor which increases firms' competitiveness. According to Z. Chojnicki (1990) lack of market mechanisms and separation from the world's global economy caused a lot of disadvantages. First of all boards of directors as well as employees (mainly in big companies) lost interest in competitiveness. They also did not appreciate innovations and lowered outlays on research and development.

All these negative aspects resulted in the cumulative effect of a rapid drop in the volume of industrial production in all post-communist countries which had decided to introduce economic reforms. Fortunately, it was a transient process in most of the analyzed countries. If we assumed that the industrial output in 1989 equals 100, then Poland was the first post-communist country to exceed this threshold (it was 109.0 in 1997). Other countries which emerged from the ruins of larger state organisms saw a much worse situation (e.g. Lithuania's dynamics of industrial output in 1997 compared with the year 1989 was merely 35.2). The same deterioration of the level of production referred to a few countries which lagged behind with their reforms (e.g. Romania's dynamics were 58.5)².

In the 80s of 20th century in most analysed countries (excluding Poland and Yugoslavia) collectivised agriculture was predominant. The end of communist era brought about decollectivisation. This process faced a strong resistance in the countries which emerged from the former USSR (excluding the Baltic republics). In other countries it was not smooth but caused less reluctance. The change in ownership of land in Russia, Belarus and Ukraine met with strong opposition due to the fact that the agriculture sectors had been collectivised there as early as before World War II. The remaining countries experienced collectivisation much later, i.e. after World War II. As a result, only the second group of countries was

² source: Economic Survey of Europe, 1998, No. 2, p. 148.

able to retain the tradition of farmers working on their own land (S. Grykień, 2004). For various reasons any changes in the agriculture sector in the analysed group of countries should be handled with caution and understanding. In these countries – unlike in the rich countries of the “old” EU – agriculture is still playing a very important role in economic development and thus greatly affects social status of a large part of the population living in rural areas (cf. S. Baum, P. Weingarden, 2004).

The restructuring of collective farms was carrying out according to a few models. S. Grykień (2004) distinguishes five of them:

- shallow restructuring (Slovenia, Belarus, Ukraine, Russia);
- thorough restructuring (Poland, the Czech Republic, Hungary, countries of the former Yugoslavia);
- disappearance of collective farms (Albania);
- shallow restructuring and disappearance of collective farms (Estonia, Latvia, Lithuania, Moldova);
- thorough restructuring and disappearance of collective farms (Romania, Bulgaria).

The introduction of market economy and completion of the process of decollectivisation resulted in considerable changes in rural areas. Farms changed ownership and agriculture suffered from a transient crisis. Fortunately, most of the countries have now overcome the difficulties. Some of the discussed countries joined the EU in 2004 and have become its members. As a result, they have been involved in European common agricultural policy. Most probably this involvement will shortly become the most important factor differentiating agricultural situation in this part of Europe.

Besides, changes in agriculture have their social aspect. The period of socialist economy saw great waves of migration (mostly young people) from rural areas to towns. This was caused by industrialization and industrial urbanization carried out in all analysed countries. Consequently, rural population gradually became smaller and older. Even demographically young countries, such as Moldova, cannot avoid the problem of ageing population (A. Turcan, 2005).

Recently new forms of earning money have become quite popular with people living in the countryside. Many people have turned to tourism and agrotourism which have little to do with agriculture. (cf. I. Markow, 2002; R. Petrea, 2004).

The service sector in post-communist countries develops at a quick pace but at the same time it shows numerous shortcomings. The main drawback is the political past. Communist authorities, on the one hand, promoted development of the industry at the expense of services and agriculture – on the other hand, the centralized economy did not favour private businessmen who made attempts to succeed in services. In some countries, e.g. Poland, the authorities allowed a small private sector to operate. In this way certain negative social consequences of the centrally controlled economy were alleviated. In other countries (especially in

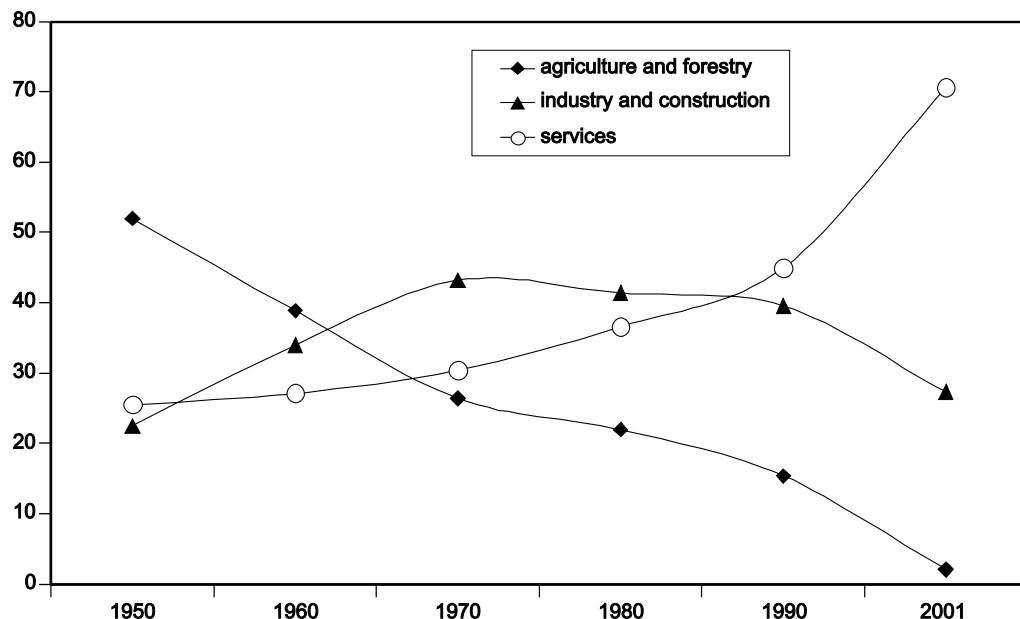


Figure 3. Changes in the employment rates of economically active persons in Hungary's national economy in the period 1950–2001

Source: Author's own study based on yearbooks of international statistics by GUS.

Albania and the former USSR) private economic activity even in services was banned because the communist authorities wanted to control everything without paying much attention to resultant shortcomings of the whole economic system. Hungary (Figure 3) may serve as a good example to analyse the above described mechanism. Communist authorities followed a policy of intense industrialization, mainly at the expense of agriculture. Services were also neglected and were not able to meet consumer needs. It was not until the collapse of communism when broadly understood services received adequate attention and started to develop very quickly. This, in turn, increased employment in the service sector.

It goes without saying that post-communist governments have not only to reform their countries but also modernize them to make them more innovative and competitive. Unfortunately, it is easier said than done as numerous hindrances stand in the way of smooth development. Some of them are of internal nature, to mention only the political past, weakness of the state and insufficient national resources. Others are of external nature; for example inappropriate attitude of international financial institutions (Table 3).

The changes presented above exert their direct and indirect impact on the standard of living. To analyse this category real gross domestic product, PPP\$ per capita was used (Figure 4). The group of analysed countries is not uniform if a closer look is taken at two aspects. The first one informs whether there was

Table 3. Barriers to the growth of innovations and development based on knowledge in the economies of Middle and Eastern Europe

No.	Barrier	Characteristics
1	Heritage of real socialism	The system of education is still suffering (both in material and mental spheres) from having been subjected to the needs of the Soviet military and industrial complex. Besides, some sciences were not developed for ideological reasons. Free exchange of scientific ideas with scientists separated by the Iron Curtain was blocked
2	Weakness and ineffectiveness of government structures	Current government structures are a mixture of old and new models of executing power. As a consequence people in power are practically unable to prepare a long-term strategy for development of science. Moreover, governments tend to make populist concessions (whose very nature leads to lowering significance of scientists and pauperising them) as well as neoliberal concessions (in their primitive form which assumes that the whole model of science should be ruled by market mechanisms). It results in the analysed countries being drained of many of their best scientists. Another consequence is a widening age gap among scientists
3	Limited resources and shallow markets	Post-communist economies have insufficient resources and financial means. Their internal markets are so shallow that carrying out long term research programmes is impossible. As a result the "old" clashes with the "new"
4	Lack of constructive approach on the part of international financial organizations	International financial organizations (particularly of Western Europe) have been unable to prepare a strategic and holistic approach to the transformation of the model of science in countries of Middle and Eastern Europe. Instead of a systemic approach incoherent financial support was offered which is not enough to change the model of science in this part of Europe. As a result further negative diversification follows

Source: A. Kukliński, B. Kacprzycki, 1995, p. 307, with slight changes.

a decline in the standard of living in the 90s or not. This decline is clearly seen in three groups of countries: republics of the former USSR, countries which waged wars and also Bulgaria and Albania (where communists in power have not implemented any significant reforms). In all remaining countries the standard of living continues to rise almost in the whole analysed period. The other aspect takes into account the general level of the countries' wealth. The richest countries, which were never part of the USSR, have quickly and effectively carried out their economic reforms (Slovenia, Hungary, the Czech Republic and Slovakia). The second group is much more diversified. Here we have Poland with a similar process of development to the above mentioned countries but less success in implementing reforms. Then comes Estonia as the only country of the former USSR which has achieved a great success in terms of reforms. Finally, there is Croatia which sees quick economic reforms but loses a lot of momentum because of previously waged wars on Serbia and Montenegro. Croatia's nationalistic politics is not an asset, either. All the above mentioned countries (excepting Croatia) belong to the EU. The rest of the countries is characterised by a lower level of wealth in the

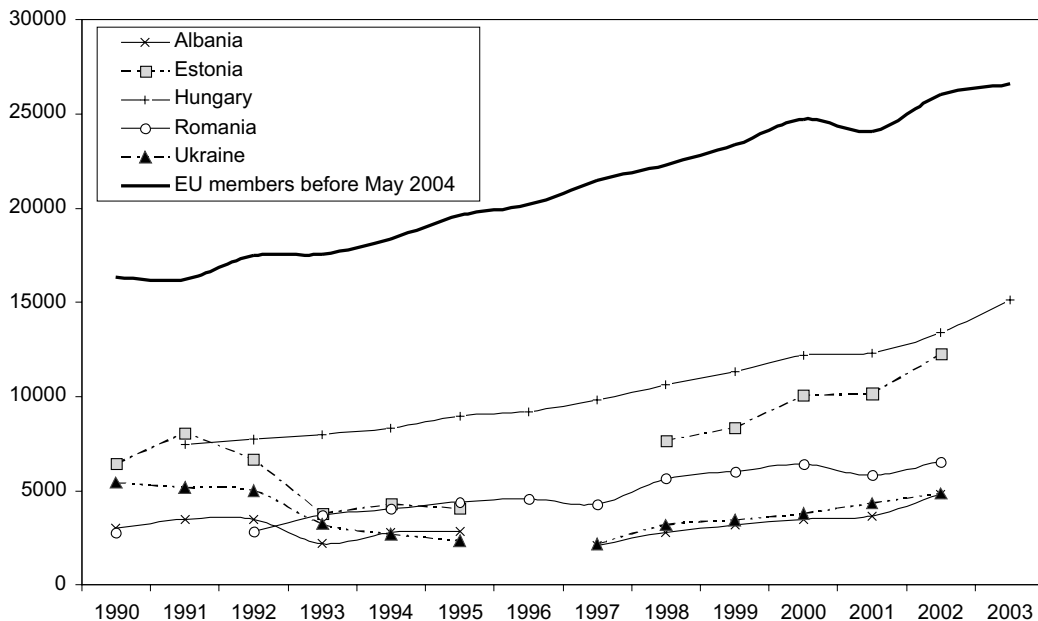


Figure 4. Real gross domestic product, PPP\$ per capita in chosen post-communist countries and EU-15

Source: Author's own study based on European Health for all database, 2005.

analysed period. This group includes, first of all, those countries which emerged from the ruins of the former USSR (including Latvia and Lithuania which now belong to the EU), the former Yugoslavia (excepting Croatia and Slovenia) and then three other countries: Bulgaria, Romania and Albania.

Demographic and health changes

The breakdown of the communist system revealed changes in procreation attitudes and health situation. Suffice to say that at the very beginning (1990) most of the countries observed a positive natural increase of the population (excepting Hungary, Bulgaria, Macedonia) while in 2004 only Albania and Macedonia did so well. No doubt, the drop in the natural increase of the population partly stems from general reasons typical of the whole Europe³. However, we cannot ignore regional factors typical of the analysed area. First of all, it is a rapid change in procreation attitudes coming from:

- the willingness to „catch up” with richer European countries which is stronger in richer post-communist countries;

³e.g. natural increase in EU-15 was 1.84‰ in 1990 while in 2002 it fell to 0.89‰

Table 4. Changes in the natural growth of the population in the period 1990–2003 with the impact of main component elements

		crude death		
		decrease	increase	big increase
Live births	average decrease	<i>Hungary</i>	<i>Bulgaria Slovenia Croatia</i>	<i>Serbia and Montenegro</i>
	big decrease	<i>Slovakia Poland Czech Rep. Macedonia</i>	<i>Latvia Estonia Romania</i>	Belarus Ukraine Russian Federation
	very big decrease		Lithuania Albania Moldova Bosnia and Herzegovina	

Macedonia – increase of the natural growth of the population;

Latvia – decrease of the natural growth of the population;

Belarus – very big decrease of the natural growth of the population;

Serbia and Montenegro: the period 1992–2002;

Slovakia: the period 1990–2002;

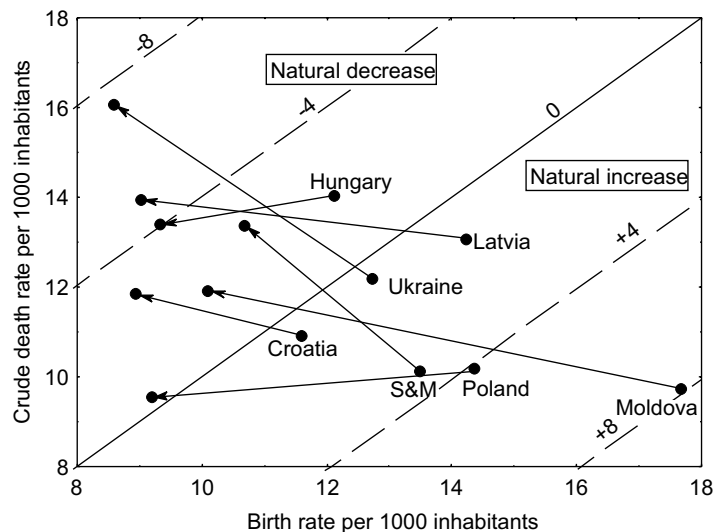
Bosnia and Herzegovina: lack of reliable data for 2003 – the table contains estimated data.

Source: Author's own study based on European Heath for all database, 2005.

- the feeling of lack of prospects for making living conditions better which is stronger in the poorest post-communist countries, particularly in these countries where market reforms have not been carried out or have been bungled. Furthermore, there is an increasing trend of young people to leave the region for richer European countries. As a result, the birthrate rapidly decreases (Table 4). We may get the impression that the second factor has a more destructive impact on the falling birthrate. Thus lack of economic prosperity being beyond reach plays the most important role in changing procreation attitudes of young people. This remark is especially valid for the poorest countries.

In most of the analyzed countries the death rate has increased. There are three main reasons which account for this negative indicator: pauperization of communities, deterioration of health services and the increase of unhealthy social habits (especially alcoholism, smoking cigarettes, insecure sex and drug addiction). All these three factors have the worst results in the countries of the former USSR. Their impact is less harmful in better off countries, particularly those countries which joined the EU in 2004. Half of these countries observed a fall in death rates while the other half saw a slight increase (cf. T. Michalski, 2005).

Demographic changes in Macedonia appear to be quite different from the ones described above. If a detailed analysis is used then the differences turn out to be less obvious. It is a matter of statistical data which cannot be relied on rather than actual differences between the processes of demographical changes.



S&M – Serbia and Montenegro, the year 2002 was given instead of 2003

Figure 5. Changes in the natural growth of the population in chosen countries in the period 1990–2003 reflecting the impact of its main component elements

Source: see Table 4.

Differences in the health situation between communities of the analysed region were medium in 1990. With the passing of time up to the year 2003 they became much bigger. Two groups of factors contributed to the widening gap. The first group lies in the very nature of communism which tried to make chances and possibilities equal for all countries. It was also the case with the health situation. At the very moment of the breakdown of the communist system the countries which belonged to it did not differ much. If there were any differences they were insignificant and mainly came from cultural dissimilarities (cf. T. Michalski, 2003a).

Shortly after the end of the communist era the situation of particular countries in the analysed region began to change (Figure 5). The main factor causing quick changes was actual economic situation and impressions people had about their material status. The level of resources affects the level of financial outlays (coming both from private and state sectors) on health services. Consequently, the wealthier a population is the better health habits are. If there is some spare money people are likely to spend it on additional medical check-ups or on becoming fit. Spending money on health services in well-off countries seems as obvious as investing money, for instance, in education. Undoubtedly, all efforts made to catch up with rich countries in Western Europe only add to the stress and frustration which badly affect the health situation of the population of richer post-communist countries. At the other end of the spectrum are countries plunged into economic chaos after waging wars or suffering from incompetent or antimarket eco-

conomic policies. Bad economic situation in these countries gives rise to pessimistic thoughts about the future. As a result, neglected health services cannot cope with the increase in unhealthy habits. The increasing number of people in these countries starts to choose escapism – they try to forget about tough real life by indulging in alcohol, drugs or sex. The second factor involves political past, especially in the case of those countries which belonged to the former USSR. It seems that the attachment to the USSR influences the discussed countries in two ways. On the one hand there are numerous minorities in these countries. National friction also influences health attitudes and habits. On the other hand the population of these countries will have to be intensely indoctrinated as the idea of *homo sovieticus* – with all its negative consequences – is deeply instilled into people's conscience.

The third factor affecting the health situation in the region includes various cultural aspects.

Infectious diseases may serve as a particularly useful research tool to show evident differences in health situation among the post-communist European countries. Table 5 presents the incidence of the three diseases which are regarded as good indicators to describe health situation.

Table 5. Incidence of chosen infectious diseases per 100000 inhabitants, as of 2003

Country	Tuberculosis	Viral hepatitis B	Gonococcal infection
Albania	17.50	17.02	0.64
Belarus	51.71	5.87	58.31
Bosnia and Herzegovina (b)	45.64	3.57	0.50
Bulgaria (a)	39.23	12.33	4.60
Croatia (b)	30.53	4.05	0.59
Czech Rep.	10.79	3.63	9.87
Estonia	41.15	12.78	39.30
Hungary (b)	24.75	1.41	10.93
Latria	72.51	14.49	20.69
Lithuania	74.87	5.07	14.56
Macedonia	32.22	8.29	0.15
Moldova (a)	114.73	13.37	35.45
Poland	25.34	4.74	1.75
Romania	130.36	9.34	11.62
Serbia and Montenegro	27.19	3.50	1.12
Slovakia	16.73	2.59	no data
Slovenia	13.77	1.15	2.80
Ukraine	77.77	14.72	42.94
Russian Federation (a)	86.47	13.02	109.01
EU-15	10.38	3.04	9.93

Gonococcal infection, data for: (a) 2001, (b) 2002.

Source: European Health for all database, 2005.

The incidence of tuberculosis in Europe is the biggest in poor countries (particularly bad housing conditions, malnutrition). Another disease, viral hepatitis type B, is spread mainly in hospitals in Europe (without going into details, it may be assumed that most post-communist countries provide enough financial means and doctors to perform operations but often not enough money is spent on proper prevention from hospital infections). The incidence of gonococcal infection depends mostly on whether health habits are observed.

Table 5 confirms the above mentioned inferences. The worst health situation is seen in poor countries which emerged from the former USSR and in poor Balkan countries. In contrast, the richest post-communist countries which joined the EU in 2004 and did not belong to the former USSR enjoy the best health situation. This conclusion is also confirmed by analyses of the incidence of HIV and death rate concerning AIDS. Although statistical data in both cases are incomplete there is still enough evidence to prove the conclusion is right. On the whole, the worst situation is observed in the former USSR while the rest of the post-communist countries may enjoy a better situation (cf. R. Goodwin and other authors, 2003; T. Michalski, 2003b)

Summary

European post-communist countries can be divided into two groups if social, demographic and health results of social, political and economic changes are taken into account. The first group consists of the countries which joined the EU in 2004 and Croatia. The population of these countries can proudly look ahead expecting prosperous future. Despite transient problems all of them will continue with their economic growth. Their strength lies in political stability although it does not mean that they will be able to avoid certain social, demographic and health obstacles. The main threats which may disturb their development include: a danger of national friction and unrest caused by national minorities (particularly in Estonia, Latvia and Lithuania), an increase in the incidence of HIV/AIDS (particularly in Estonia, Latvia and Lithuania), social unrest caused by high unemployment rates (especially in Poland) and intensification of emigration of young people to countries of the "old" EU (all post-communist countries).

A very bad social, demographic and health situation is observed in Belarus, Ukraine, Moldova, Macedonia, Serbia and Montenegro, Bosnia and Herzegovina and Albania. All these countries suffer from bad economic conditions and unstable political systems.

Romania and Bulgaria find themselves somewhere in the middle between the two previously described groups of countries.

Joining the EU and NATO by some post-communist countries as well as recent changes in Moldova and Ukraine have raised hopes that in a few years' time most of the analysed region will change for the better. It remains to be seen what role some suspended problems and hindrances will play. Certainly, the area on

Transnistria (Moldova), Kosovo (Serbia and Herzegovina), unstable Bosnia and Herzegovina and Macedonia and Lukashenka's regime in Belarus still pose problems to be solved. Depopulation processes which will bring more trouble in the foreseeable future remain one of the main threats to the social sphere. They seem to be unavoidable not only for reasons which have already affected the analysed region, namely higher death rates in some countries and weakened procreation attitudes. There is one more factor to threaten the region – increasing emigration of young people to EU-15.

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Lvivska Oblast in the Context of Ukrainian and Polish Cooperation: Problems and Prospects¹

Ukraine and Poland are the most powerful countries with high demographic, economic and natural resources potential in Central and Western Europe. Taking into consideration common features of the past and modern geopolitical processes, we can say that our countries are developing in the same civilization space. Today Ukraine and Poland have chosen the way of democratization, creating of open civil society and they also try to identify themselves with euro Atlantic geo-cultural environment. All these factors are a good basis for important Ukrainian and Polish interstate cooperation in all spheres of social life.

However these favorable prospects of cooperation haven't been implemented in real life yet. Nowadays the potential of Ukrainian and Polish cooperation is still unrealized in full. Such situation was caused by political and economic reasons as well.

From political point of view Ukraine is far behind Poland in the way of democratization and social reforms. While Ukraine was determining its strategic tasks, Poland became a member enjoining full rights in such powerful organizations as NATO and European Union (EU).

Ukraine has undergone serious problems related to its economic transformation. Poland managed to overcome economic recession in 1993, but Ukraine – just in 2000. Besides Ukraine didn't reach the level of economic development that was before the USSR collapse. Another important fact and obstacle at the same time in the process of interstate intimacy of Ukraine and Poland is Poland joining EU. A new "iron curtain", namely a western frontier of EU was created as a result of EU enlargement to the East along the former western frontier of the USSR.

These circumstances considerably deepened the abyss between our countries, despite the fact that after the USSR and world socialist system collapse there were some opportunities that would help to overcome a lot of interstate contradictions. It's necessary to mention that previous decade of our history was a period

¹ The statistic data of Ministry of Economy and European Integration of Ukraine, State Committee of Statistics of Ukraine, Lviv oblast state administration office of foreign relations, foreign economic activity and foreign investment were used in the article.

of establishing of close relations between Ukrainian and Polish people. Ukrainian authorities pay special attention to the development of Ukrainian and Polish relationships: Poland is an official strategic partner of Ukraine, 2004 was announced as a year of Poland in Ukraine, etc. Our government is aware of the fact that Ukraine integration into EU will be possible by means of strengthening Ukrainian and Polish cooperation. For example, The President of Ukraine in his dispatch to Verkhovna Rada said that "strategic partnership between Ukraine and Poland could be one of the main values of modern Europe".

Due to this policy, a lot of negative historic stereotypes, causing mutual hostility, were destroyed. International contacts on official level were strengthened by the development of economic cooperation between the enterprises of our countries animated labor migration of some citizens. But even warmth of international relations couldn't compensate economic and political losses. Besides, interstate intimacy was always official, formal and declarative.

Today Ukrainian and Polish relations, rapidly developed after the USSR collapse, are in the process of stagnation. The case with rebuilding of Orlyats' cemetery in Lviv was another important factor that influenced this process.

Despite a great number of unfavorable circumstances, the development of Ukrainian and Polish cooperation has significant strategic prospects. Both countries are interested in further intimacy and establishing close cooperation in all spheres of social life.

It's obvious that new conditions of Ukrainian and Polish relations, after Poland joining EU, demand working out a new model of cooperation. In any case, it's clear that Lvivska oblast will play an important role in this process.

At the meeting of Minister of Economy and European integration of Ukraine, Mikola Derkach with Polish ambassador in Ukraine Marek Zulovski in March 2004 was said that one of the priority directions of countries' cooperation was creating peculiar "common transitional space". The latter includes international project of using large track Lugansk-Izuv-Hrubych-Slavkiv for transit cargo carriage from Far East to Western Europe, implementing of the second stage of the project of Eurasian oil transport corridor (EOTC), building of a part of oil-pipeline Brody-Plotsk and also establishing transport destination Black Sea- Baltic Sea (Odessa-Gdansk) as an important factor of further development of these ports.

Lvivska oblast is situated in the extreme West of Ukraine. Its geographical position is the main factor that will help Ukraine to join European economic organizations and to establish Ukrainian and Polish political and economic cooperation soon.

However, governments of our countries have already made some steps in this direction. For example, Lvivska oblast established close relations with Poland (first of all, with Podkarpackie voivodeship (administrative unit)). Joint sessions of councils of Zhovkva and Yavoriv rayons and of Lubachiv and Yaroslav po-viats (administrative districts), concerning ecological, social and cultural issues became traditional.

There were also created two Euro-regions near Ukrainian and Polish frontier. The first one is Carpathian (in 1993) and the second is – “Bug” (in 1995). Lvivska oblast belongs to Carpathian euro region, but Zovkva and Sokal rayons of oblast belong to euro region “Bug”. Annual economic forums, concerning the issue of transfrontier cooperation and taking place in Lviv, are also very fruitful.

However, a great government contribution to establishing transfrontier cooperation between Lvivska oblast and adjoining regions of Poland didn't significantly influence the realization of the strategic task that is oblast transformation into the outpost of Ukrainian and Polish cooperation.

Historic circumstances and peculiarities of economic transformation led to the fact that Poland didn't take its proper place in economic life of Lvivska oblast. One of the main reasons of this phenomenon is economic backwardness that can be noticed not just in neighboring Polish rayons, but in other regions of Ukraine as well.

The reasons of insufficient level of economic and social development of the region lie in its history and related to its colonial past. Moreover, region's traditional frontier position also played a significant role in this process.

Galychyna was outskirts of Polish state, empire of Gabsburgs, interwar Poland and Soviet Union at last. It's necessary to remind that before forming traditions of transfrontier cooperation in Western Europe, this feature of geographical position didn't stimulate social and economic development of the region, but on the contrary – just slowed it down.

In spite of the widespread stereotype that existed in soviet period, Lvivska oblast was never a region with real high level of social and economic development. For example, in Lvivska oblast the cost of fixed assets per capita was one third lower than on average in Ukraine, and a level of population income was behind the state index for 10–20%. The situation beyond oblast center, which concentrated a great deal of social and economic potential of Western Ukraine, was much more worse.

After renewal of Ukraine independency in 1991, economic and social situation of oblast underwent considerable changes. And, of course, they were not positive ones. In comparison with other oblasts of Ukraine, Lvivska oblast transition to market economy was much more complicated and painful. It was caused by the structure of oblast economy that was formed in the USSR and aimed, first of all, at military industrial complex. Only in 1999 Lvivska oblast managed to cease production recession. The rates of growth over the past few years are amazing. In comparison with last year, the growth of industrial output was 1.2% in 1999, 11.9% in 2000, 42.3% in 2001, 13.5% in 2002.

However, it's too early to speak about total overcoming of crisis phenomena in oblast economy. First of all, unlike other oblasts of Ukraine, Lvivska oblast underwent considerable industrial output recession after 1990. In 1998 the index of industrial output in Ukraine was 49%, but in Lvivska oblast this index drop-

ped to 27%. Another serious problem of oblast is a rapid growth of industrial output that can be noticed over past few years, because it's caused by the growth of production just in several gigantic enterprises. For example, a share of oil-refinement complex "Galychyna" in total volumes of oblast industrial output is 27%.

Despite favorable geographical position, today Lvivska oblast is far behind other regions of Ukraine in the sphere of international economic cooperation. By number of population a share of Lvivska oblast is 5.4% of total number of population of Ukraine, but by volumes of goods exporting is only 2.1% in January 2004. The situation with index of correlation between volumes of import and export is not attractive one. In general, in Ukraine the balance of goods importing and exporting is positive and is 857.2 mln. hrn., but in Lvivska oblast, index of import exceeds export index in 15.2 mln. hrn.

However, the most essential problem of international cooperation is region's geographical position. According to the analysis, Poland is not a main international partner of Lviv enterprises even in spite of its direct neighborhood.

For instance, according to the index of total volume of international trade of Lvivska oblast enterprises, a share of Polish enterprises was just 5.7% (\$138.4 mln.) in January 2003, but a share of Russian enterprises was 47.7% (\$1158.6 mln.).

The situation with attraction of Polish investments in Lvivska oblast economy is not very optimistic. It's clear that Lvivska oblast as a frontier region concentrated more than one third of Polish investments in Ukrainian economy (\$52.8 mln in October 2003). Although the volumes of Polish investments are insufficient. Their share in total amount of attracted foreign investment was just 18% in October 2003. Over 9 months 2003, Polish investors have invested \$2.8 mln. in Lvivska oblast economy, that is just 4.5% of total amount of receipts. The large amounts of Polish investment are in JC "Credit Bank Ukraine", "Ukr-Pak" Plc, subsidiary company "KronoLviv", "Zoshyt Ukrainy" Ltd, "Multivita" Ltd and others.

Analysis of the process of attraction of Polish investments in Lvivska oblast economy is an indicator that reveals the lack of favorable investment climate for western investors. According to the information of Ukrainian nongovernmental organization "Institute of reforms" that makes assessment of investment attractiveness of Ukraine regions, Lvivska oblast rating is constantly falling down (from April 1999 till July 2002). Recent scandals between "Credit Bank Ukraine" and central department store "Magnus", that were highlighted in mass media and considered in the court, undermined oblast's image in the eyes of Polish investors.

In order to surmount serious problems, our authorities have to determine not just the priority of the development of transfrontier cooperation and stimulate relations on different levels: oblast – voyevodstvo, rayon – povit, territorial community – gmina (administrative unit), but also to favor general economic recovery, aimed at creating investment climate in oblast. All these projects can be realized just by cultivating maximum openness and transparency of local government activity. First of all, it concerns supervisory bodies (customs and tax servi-

ces) that sometimes regard their activity as mechanic replenishment of state budget, but not as improving weak Ukrainian economy.

For Poland, Ukraine begins from Lvivska oblast. It's predetermined not only by geography, but also by political, economic, cultural and historic interests. That's why it's necessary to realize that providing maximum conditions for Ukrainian and Polish cooperation is not enough. First of all, it's necessary that Poland will be interested in Ukraine and regard it as a real economic partner. In opinion of Polish people, it's also important to use historic and cultural aspect in full, because Lvivska oblast is the only region that deserves special attention.

Anna Runge, Jerzy Runge

Determinants of Regional Transformations in the Area of Polish–Czech Borderland (Silesian Province, Moravian–Silesian Province)

Introduction

Increase of the interest of state borderland in Poland and other countries of Central–East Europe has been an essential element of integration policy with West Europe since the 1990s. It has also been part of activities aiming to equal differences in level of regional development. These areas usually experience doubly negative consequences in social–economic transformations (A. Klasik, O. Milerski (eds.), 2001, p. 29):

- a) “in state regional system they belong to a group of peripheral regions; their unfavourable location is mostly seen in relative isolation of borderlands from politically and economically leading centres of the countries;
- b) unfavourable element of location in borderland zone is its distance from main transport routes of a country which usually means insufficient infrastructure”.

Similar views are stated by K. Heffner (1998, p. 7), who argued that investigations of a borderland because of ... “numerous negative so far processes, acquire special importance (e.g. deep demographic transformations in these areas, mass migrations from villages to cities, depopulation of numerous towns and administration districts, shortage of workforce in agriculture, low population density, disproportions in development of settlement system in both sides of the border)”.

Such phenomena were investigated in Polish–German borderland as early as in the 1980s, especially in Sudety Mountains, which were treated as problem region (e.g. A. Ciok, 1986, 1988, 1990, 1991, 1996; J. Łoboda (ed.) 1993) and also as an object of empirical generalisation for different areas and also object of formulation of theoretical conceptions (e.g. I. Bukowska–Florenceńska, H. Rusek (eds.), 1997; Z. Chojnicki, 1998; P. Eberhardt, 1996; K. Heffner, 1998; A. Klasik, O. Milerski (eds.), 2001; A. Mync, R. Szulc (eds.), 1999; T. Palmowski, 2000; J. Runge (ed.), 2003a, 2003b; J. Runge, F. Kłosowski (eds.), 2001; Z. Rykiel, 1985; 1990, 1991, 2001).

A. Mync, R. Szulc (eds. 1999, p. 229–231) stated the following:

- 1) As far as division of effects resulting from transfrontier contacts is concerned – three situations are possible:

- coordinance of both sides and also equal division of effects,
 - asymmetry of sides consisting in domination of better economically developed side, which also offers cheaper and competitive in terms of quality products and services;
 - asymmetry, where economically richer side influences transfrontier job division and participates in most benefits resulting from this situation;
- 2) As the level of transfrontier co-operation is concerned – four levels of interaction are distinguished:
- initial strangeness and hostility;
 - more or less developed present co-existence;
 - economic co-operation;
 - transfrontier integration;
- 3) As economic co-operation is concerned – three possible situations are may occur:
- impulsive trade – carried out by individual people and informal groups;
 - regular trade – carried out by registered trade organisations;
 - production co-operation;
- 4) As co-operation of local/regional authorities is concerned – the following stages occur:
- informal contact of authority representatives,
 - formalisation of contacts through negotiations of co-operation agreements;
 - activities in support of fast economic benefits (e.g. simplifications in crossing borders, searching for and linking companies to co-operate on both sides of a border);
 - activities in favour of long-term economic benefits (common aims in spatial management and social policy, common infrastructural investments, common cultural or teaching activity, etc).

There is no doubt that the part of Polish-Czech border discussed here represents a specific type. It separates, from one hand, two territories which until 1920 had been included in one state organism, and on the other hand, within both provinces (Silesian and Silesian-Moravian) adjacent to state border, two traditional economic regions developed, which show features of contact regions (Z. Rykiel, 1985, 1991). In both cases the hitherto historical social-economic changes (F. Kłosowski, J. Runge, R. Prokop, 2001, p. 24-25):

- a) “were conducted in peripheral regions as compared to political-governing centres; due to historical reasons, intensity of infrastructural development and cultural traditions, this location made economic transformation easier rather than difficult;
- b) were based on predominated role of traditional industries (coal mining, iron metallurgy, power industry, machine-building industry);
- c) contributed to considerable population dislocations in form of communing and permanent migration, because of the insufficient local workforce;

- d) caused the necessity of taking up immediate activities in order to rationalise spatial management, creation of new housing districts especially for immigrants, which was connected with developing industries. Therefore first post-war regional plans (1950s) of both countries concerned the areas discussed here; a guiding principle was deglomeration of centres through the construction of satellite towns".

Taking into account these and other characteristics of the borderland studied, the aim of this paper is to point out the most important, according to the Authors, and most current perspective determinants of development of the area studied, especially in the situation of integration of Central-East European countries in the European Union.

Conditions of social-economic development

The borderland studied, according to the conception of contact region (Z. Rykiel, 1985), until the mid 17th century showed poorly developed spatial-functional infrastructure, usually in form of local economic links especially in agriculture, trade, and craft. The discovery of hard coal and its exploitation and also development of metallurgy became main factors which rapidly changed the peripheral character of this area. Side by side with structural factors of changes, also secular factors occurred (W. Długoborski, 1967). The structural factors revolutionised the methods and range of use of natural resources and contemporary technology and caused rapid changes in location and structure of dominating industries. The secular factors are derivatives of the previous ones and they occur after some time in gradual steady transformations. These transformations usually concern social-demographic structures (e.g. increasing from generation to generation adaptation to mining and metallurgy, increase of percentage of immigrants, problems of social integration between autochthons and immigrants).

"The discovery of coal in the 18th century in the area of present Katowice conurbation, Rybnik conurbation and also in the area of Ostrava and Karvina, accelerated the process of demarcation of state boundaries at the contact of Prussia, Austria and Poland" (J. Runge (ed.), 2003b, p. 15). This contributed to creation of borderland regions of Cieszyn Silesia and Upper Silesia. In the 20th century, this contact regions originated (...). Social integration is here in initial stage (...). In social terms the sub-areas of this region contact with each other rather than interrelate.

Changes of state boundaries after the 1st world war resulted in the origin of Silesian contact region. Simultaneously, due to political assignments, the integrated so far Cieszyn Silesia region was divided into Polish and Czech parts and it became a borderland area.

"Due to intensive industrialisation and impulsive urbanisation, the division of Upper Silesia by state boundaries after the Austrian-Prussian war and then after partitions of Poland, only partially decreased internal social-economic links.

In contrary, the occurrence of state border on the Olza river in the inter-war period considerably limited contacts between Polish and Czech societies for many years. Mutual distrust was reinforced by regrettable political activities both before the war and after 1945. Historical changes in the course of state boundary caused that many towns in this area played or still play the role of border towns. In the past following towns belonged to this group: Bielsko-Biała, Frydek-Mistek, Karvina and Opava, and now Polish and Czech Cieszyn. In the whole course of former state boundaries of Austria, Prussia (then Germany) and Poland such towns occur most often in the studied area of Cieszyn Silesia and its limits" (J. Runge (ed.), 2003b, p. 16).

The fact that some Central-Eastern European countries joined European Union encourages to wider outlook at these both border provinces in wider social-economic context. The limitation of state border as an evidence of liquidation of internal spatial barriers in translocation of population within the Union should increase integration processes between Ostrava-Karvina region and its hinterland and also between both conurbations in Silesian Province (Katowice and Rybnik) and their borderland. No doubt that Cieszyn Silesia should play an important role in this integration as it can join the areas studied in historical, social-economic and transport sense.

The liquidation of internal barriers gives possibilities of creation of transfrontier integrated region, i.e. the region which joins borderlands of both neighbouring countries. What are the premises in this aspect? The most essential factors include (J. Runge, 2003, p. 249-250):

- external disintegrational factors – similarity of functional structure based mainly on traditional industries (coal mining, iron metallurgy, machine building industry) as a consequence of post-war economic activity of the state; peripheral location in relation to government centres of the state;
- external integrational factors – common history of social-economic changes until 1920; cultural and linguistic community; transfrontier location; aspiration for joining European Union;
- internal disintegrational – so far poor development of common economic enterprises; misunderstandings between societies resulting mainly from differences in life standards, priorities in favour of natural environment protection (Stonava) or the role of border trade;
- internal integrational – numerous forms of co-operation between the societies of both borderlands (e.g. euroregions).

Of course job market will play an important role in the integration process including wide zone of services in attractive for tourists area of borderland.

The question should be asked – Does Cieszyn Silesia show the features of borderland region after political-economic changes initiated in the 1990s, especially when such forms of transfrontier co-operation as euroregions occurred? To answer this question it should be remembered that borderlands are usually peri-

pheral in two hierarchical systems – in a national scale and regional scale (K. Heffner, 1998). As K. Heffner (op. cit, p. 24–25) states, “in case of Polish Czech borderland, its whole area has got peripheral character in the system of both countries – Poland and Czechs, but in regional scale only its some parts have distinctive peripheral character. Individual parts of the borderland studied belong to regional systems of different conditions, rates and possibilities of development (...). In the post-war period, until the 1980s, Polish-Czech boundary had a character of a distinctive economic, settlement and transport spatial barrier, which limited direct contacts of population in regional and local scales. Distinctive peripherisation (expressed in e.g. negative economic, social and demographic consequences) of borderland zone and the areas located in a long distance from the state boundaries occurred (...). In local and regional scales, as late as in the 1990s some possibilities of enlivening of borderlands occurred. Taking into account only Cieszyn Silesia and its surrounding, it should be underlined that, despite belonging to different states between the 18th and beginning of the 20th century, the observed transformations on both sides of the border on the Olza and Odra rivers had similar character. These transformations occurred in peripheral areas of Austria from one side and Prussia from other side and then Germany and Poland basing for many years on dominating role of traditional industries such as coal mining, iron metallurgy, power industry and machine building industry (F. Kłosowski, J. Runge, R. Prokop, 2002; J. Runge, 2002). After 1945 both social economic regions i.e. Ostrava–Karvina region and Katowice and Rybnik regions became in Czech and Polish scale strategic economic areas and conditioned economic development of both countries for many years. Cieszyn Silesia occurred between these regions and, simultaneously, in both sides of the state boundary.

Also significant autochthonous character of the inhabitants of Cieszyn Silesia should be remembered, which influences numerous family connections between the inhabitants of both sides. As a result of post-war political assignments and internal policy of the country, autochthonous population in other euroregions left their lands and other population immigrated, usually with quite different cultural-economic standards. Considerable physiographic handicap in form of mountain ranges or rivers as well as political conditions made it very difficult or impossible keep family connections (e.g. Bałtyk, Bug, Tatry Euroregions). And, of course, cognation of language as well as religion differentiation and frankness played a significant role in creation of integrity of Cieszyn Silesia.

In terms of a character of mutual relations among people, the society of Cieszyn Silesia developed with great influence of mass and often impetuous migrations. Relatively closed, functionally simple, agricultural and settled from generations society of Cieszyn Silesia occurred in new, difficulty conditions of strong industrialisation, in the area of rapidly growing social stratification. New categories of industrial workers originated in jobs requiring new qualifications. The role of intellectual potential increased with some delay in education, culture and in

various technical-organisational initiatives. Because of development in transport system, the access to different towns became easier.

Traditional agrarian area transformed fast into dynamically developing industrial region. Social structure of villages inhabitants still depended on town interests and was influenced by job market pressure with job offers in industry. The population migration from villages to towns increased. The contacts of Cieszyn community were influenced by nationalistic structure, where Polish and Czech population predominated and also, until 1945 German population, and in post-war period also Slovakian, Roman and Greek population. At present it concerns also foreigners especially from post-communistic countries. Generally, integration processes favour the group, which is in majority in given area leading to assimilation of population which is in minority.

Conclusions

Investigations of borderlands, because of their different character requires a specific approach. According to many authors these areas are subjected to many problems because of their location. Most often cited limitations include their peripheral location in relation to political and economic centres of the country, considerable distance from main transport routes, or insufficient development of infrastructure. Moreover, poorly "permeable" boundaries considerably limit possibilities of co-operation, which intensifies social-economic differences on both sides of the border. Unquestionable influence of a boundary on economic processes was discussed in many works. Many authors point out also time range of border influence despite its formal liquidation.

Recently, together with liberalisation of border relations, quite new possibilities occurred. The increase of a border "permeability" gives some possibilities to increase the intensity of mutual relations. This may lead to obtain a substantial dynamics of economic growth. In this light, a category of local development acquires special importance, because, as it proceeds from the ranks, it may activate areas, which are not properly noticed from the level of regional or state policy. Plans of regional development are the bases to define general functions and importance of individual areas on the background of macro-structures.

The institutions that support development of borderlands and also reinforce co-operation between two sides of the border are euroregions, which originate these areas. At present (25.01.2001) there are 15 euroregions along Polish boundaries and three of them are located in Silesian province. They include Silesia Euroregion, Cieszyn Silesia Euroregion and Beskidy Euroregion. Among other circumstances favouring development of co-operation is fact that south border goes between the countries associated with European Union and represents an internal border of countries belonging to Wyshegrad Group.

The occurrence of state boundary between Poland and Czechs in 1920 disrupted territorial integrity of Cieszyn Silesia and started the phase of "closed boundary"

existence. In fact, for 70 next years until the beginning of political-economic transformation in Central-Eastern Europe, the boundary on the Olza and Odra rivers retarded the development of the adjacent area. Despite political declarations of the unity and co-operation of former socialistic countries, the contacts between both borderlands and especially contacts of families living on both sides of the border were hampered.

At the beginning of the 1990s, the second part of transformations of the borderland studied started, i.e. the "phase of a filter border". It is observed in liberalisation of cross-frontier traffic, creation of new border crossings, substantial increase of migrations, accompanied by the process of equalisation of development possibilities, which were accumulated in the borderlands but divided up to that time by a hermetic spatial barrier in form of state boundary. The impulses of development first go along transport routes leading to car border crossings on both sides of the border. This phase undoubtedly occurs now.

A perspective stage in the process of state boundary development is the phase of "open boundary" identified with formal liquidation of the border after both counties join European Union. Side by side with many similarities there are also many differences concerning for example population dynamics, intensity of services development, role of agriculture in economy or social infrastructure. Early restructuring activities which were taken up in coal mining of Ostrava-Karvina industrial region caused not only translocation of this industry from the central part of the region but also diminished the consequences of political-economic changes after 1990 (e.g. unemployment). In Katowice region this situation was more complex because the delay in restructuring process was accompanied by decreasing dynamics of demographic-social development, large number of unemployed and emigrations abroad.

Simultaneously both parts of the euroregion represent essential constituents of regional settlement system of both countries creating system of agglomerating social-economic bounds with distinctive concentration in Ostrava on the Czech side and more complex system of bounds on Polish side. Here two settlement systems of conurbation character occur (Katowice and Rybnik) and also two large subregional towns, which, until 1998 were capitols of provinces (Bielsko-Biała and Częstochowa). Therefore, side by side with strong subregional links with Bielsko-Biała, the Polish side of Cieszyn Silesia shows numerous links with Rybnik conurbation and also Katowice conurbation.

The following question arises – Do these features indicate integrational or disintegrational character of the system studied? Despite the fact that Euroregion Śląsk Cieszyński was established only several years ago, numerous transfrontier relations have occurred here for a long time, including also family relations. Differences in post-war economic situation of Poland and Germany caused numerous social-living migrations in the boundary zone, which intensified in the first years of liberalisation of custom regulations, when the "filter" stage of

the border started. Economic links between both sides of Cieszyn Silesia on this background are much weaker and they decrease together with the decrease of coal mining importance as a main development factor on Czech side. The employed there Polish citizens represent a small percentage of the workforce.

The results of investigations (including also inquiries with representatives of local authorities on both sides of the border) show that Euroregion Śląsk Cieszyński is now at the beginning of the process of economic-infrastructure integration. So far it has concentrated in selected towns or areas and it grows weaker outwards the border.

The second expressed earlier problem is identification of strong and weak features of the euroregion in the light of integration processes with European Union. The results of investigations revealed that despite many-century-long traditions of common social-economic development, the separation of Cieszyn Silesia in two different sides in 1920 caused diminishing of relations between both communities, intensified by strong internal urbanisation including immigration from outside the region (Jastrzębie Zdrój, Karvina, Orlova), iron metallurgy (Trinec) or machine and electrical engineering industry (Cieszyn).

The next question arises here concerning development possibilities of Cieszyn Silesia after joining European Union. The border infrastructure and realised by it tasks will appear unnecessary. Decreasing recently market-place sales (including alcohol sales) appears to be unnecessary because of the process of price equalisation. Similar situation concerns other services at the state border like catering business, money exchange offices, etc. The lack of the border will diminish the scale of a hitherto every-day migrations for shopping, and then it may contribute to changes in poorly used so far tourist-recreation infrastructure on both sides of the Olza and Odra. Much wider marketing of different values of the region among potential tourists will be required, which is very important considering the fact that in the neighbourhood there are some touristic regions with better developed tourist infrastructure and with larger tourist traffic. The hitherto forms (like informing about different cultural or sports events organised mainly in Cieszyn) are completely insufficient. There is no any regional travel agency which would offer various recreation-tourist services in towns of Cieszyn Silesia. There is also no wider co-operation between scientific institutions situated in the borderland (Uniwersytet Śląski – Katowice– Cieszyn, Slezska Univerzita – Opava – Karvina, Slezsky Ustav – Opava) or more intensive advertisement of Książnica Cieszyńska outside the region, or larger number of multi-field investigations of the area studied. The limitation of the role of the state border on the Olza and Odra or its perspective liquidation will cause further increase of spatial mobility of the inhabitants including also job migrations. The state of the job market of the whole Polish-Czech borderland will not only require investigations and studies but also certain common practical activities on both sides of the border. Common economic policy and development of job market

represent the most important and, simultaneously, the most difficult tasks in the process of borderland integrity. The lack of language problems or bilingualism of many inhabitants represent additional factors favouring co-operation, which gives Cieszyn Silesia better position as compared to other euroregions.

The factor which makes the spatial mobility of inhabitants easier is a suitable transport accessibility including condition of roads, the associated infrastructure, type and number of transport links. A transit location of Cieszyn Silesia on the transport map of Europe will constrain in near future integrated outlook at this region, where many road investments have been taken up, but still not sufficient enough in relation to the expected consequences of integration.

Taking into account the discussed above expectations, a similar situation may occur here as it was in Katowice conurbation during the last 200 years when two borderland areas transformed into one contact region. The difference is only associated with the fact that in Katowice case it occurred together with some changes in the course of the state border and in case of Cieszyn Silesia it will occur in conditions of liquidation of state border.

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Zbigniew Puchajda

Co-operation of Warmia and Mazury with the Kaliningrad Oblast of Russian Federation. Directions and Areas of the Activity Intensification

1st May 2004 Poland joined the European Community with all the consequences of this fact. They include also, or maybe first of all the Polish-Russian relations, putting a new complexion on them. It is connected especially with the distinct stabilisation of the role of the Kaliningrad oblast as a pilot region in the relations between Russia and the European Union. It means that Kaliningrad oblast will be included in the Baltic economic area on a larger scale. It also creates many possibilities to animate economic relations between Poland, Kaliningrad and Baltic Sea countries. However, comprehensive analyses and brave decisions are necessary to realise it.

The 750th anniversary of Kaliningrad founding and the 60th anniversary of the Kaliningrad oblast setting are coming soon. The opportunity should be taken to use these events to promote Warmia and Mazury Region and to intensify the activities connected with the co-operation with the Kaliningrad oblast.

The scope of the bilateral co-operation between Warminsko-Mazurskie Voivodship and the Kaliningrad oblast was defined in the agreement signed 19th September 2001 by Marshal of Warminsko-Mazurskie Voivodship Andrzej Rynski and Governor of the Kaliningrad oblast Wladimir Jegorow. Nevertheless, analysing the content of this document it is easy to understand that not all the possibilities resulting from the agreement were turned to good account. On the other hand the distinct boom in the co-operation in the second semester of the previous year was noticed and can be considered optimistic. The boom refers to various spheres of life. Activity of municipalities and border towns is being slowly intensified on the both sides of the border; the whole process is stimulated by the Consulate General of the Republic of Poland in Kaliningrad. Despite of the complaints and endless discussions, the trade exchange with the Kaliningrad oblast amounts to more than 300 mln USD now and would be even bigger if the informal trade exchange was taken into account. 26 institutions, organisations and companies representing business, education, culture, science, infrastructure and tourism maintain permanent relations with the Kaliningrad oblast. "Friendly Neighbourhood Forum", the initiative of Stefan Batory Foundation, can be considered as a particularly valuable. The initiative is realised by the Cultural Commu-

nity "Borussia" and the Elblag Association for Support of Non-Governmental Initiatives.

Economic co-operation is very important but makes only a part of the vast opportunities of development of relations between Warmia and Mazury and the Kaliningrad oblast. Its effectiveness depends on how well the communities of both regions know each other. That is why an important role in the intensification of mutual relations play such activities as:

- common structural projects co-financed by the European Union;
- co-operation on the field of infrastructure, including roads, border crossings, communication etc.;
- cultural exchange;
- co-operation between universities and scientific institutes, either on the field of teaching or research;
- exchange of experience on the education of young people;
- cross-border co-operation.

It is also important that in the Kaliningrad oblast live about 5 000 people of Polish origin. They expect our cordiality and help. It can be also an essential factor to promote Polish presence in the Kaliningrad oblast. Environment protection is a field of special importance. It refers either to formulation of bilateral programmes or to looking for possibilities to finance their realisation. Another important fields of co-operation can be preservation of cultural heritage and restoration of historical monuments.

Following activities should be considered as priorities in further co-operation with the Kaliningrad oblast in 2004:

- implementation of activities planned in the „Agenda of co-operation between Warmińsko-Mazurskie Voivodship and Kaliningrad oblast“;
- organisation of the Warmia and Mazury Days in Kaliningrad with the trade fair, regional touristic offer, sport events etc.;
- providing Poviast Information Centres with knowledge on the Kaliningrad oblast and on the implemented activities;
- elaboration of guiding principles for organisation of the Regional Office of Warmia and Mazury in Kaliningrad; the office could play role of the Center of Information on the Region and in the same time would also help in contacts between institutions, organisations, companies and private persons from Warmia and Mazury and the Kaliningrad oblast. In the future the office should enlarge its operational scope on Lithuania, Latvia and Estonia.

The above presented proposals result immediately from the "Strategy of social and economic development of the Province of Warmia and Mazury" ratified in 2000. The strategy gives priority to co-operation with the Kaliningrad oblast.

Development of the co-operation of Warmia and Mazury with the Kaliningrad oblast and its intensification require good co-ordination of the activities undertaken, informing all the subjects interested in the co-operation with the

Kaliningrad oblast and helping them to come into bilateral contacts. European Integration and International Cooperation Department of the Office of the Marshal of Warmińsko-Mazurskie Voivodship is going to play that role.

Renata Anisiewicz

Changes in Fertility and Nuptiality in the Post-Soviet part of Baltic Europe

Introduction

Profound socio-economic transformations exert an important influence on demographic processes. This relates especially to matrimonial and procreational conducts which depend mostly on the sole decision of the individual (E. Gołata, 1995). The decision to contract a marriage and especially to set up a family is to an increasing extent dependant on the temporarily deteriorating economic situation. This can be acutely observed on the job market, in which unemployment poses a substantial threat to women. The main cause seems to be the possession of offspring (the lack of availability due to the nurturing of children, difficulties in raising qualifications as well as the difficulty of balancing motherhood with a career).

In new economic situation there is also increase of diversified needs, whose wide range was not accessible in the previous system. The possibilities of satisfying them, in the light of economic difficulties and the disappearance of the welfare role of the state, are becoming more attractive than matrimonial or procreational commitments, which are postponed or set aside altogether. Moreover, the deterioration of traditional norms and values, which accompanies sudden social changes, is conducive to the decrease of fertility and changes in nuptiality (J. Dorbritz, 1995).

Lower fertility as well as increasing mortality, also determined by the deteriorating economic situation, result in depopulation which is observed in most of the former European socialist countries that are undergoing conversion from centrally-planned to market economy. The most severe decrease of population is observed in those European countries that constituted a part of the USSR until 1991 (P. Eberhardt, 2002b).

This paper is an attempt to analyse the changes in fertility and nuptiality that have occurred in the post-soviet part of Baltic Europe in the years 1990–2001. The employed data present the situation just before the dissolution of the USSR in 1991 as well as the changes observed during the first ten years of the countries' independence. They include, therefore, the period in which socio-economic reforms were introduced. In accordance with the delimitation proposed by M. Dutkowski (1996), the research area includes the territory of Latvia, Lithuania

and Estonia as well as Russian oblasts: the Kaliningrad Oblast, the Leningrad Oblast and the autonomous city of Sankt Petersburg.

Changes in birth rate

In 2001 the analysed region was inhabited by around 14.5 million people, 1/3 of which (i.e. 4.6 million) constituted the inhabitants of Sankt Petersburg. Other regions were characterised by a comparatively small population: Lithuania (3.5 million), Latvia (2.4 million), Leningrad Oblast (1.7 million), Estonia (1.4 million) and Kaliningrad Oblast (0.95 million).

The population of the region has decreased in relation to 1990 by over 1 million people. Loss has not been observed in merely the Kaliningrad Oblast, where there has been an increase of population by 69 thousand inhabitants. The largest decrease of population, however, was noted in Sankt Petersburg (396 thousand). The population of Latvia decreased by 304 thousand, of Lithuania by 207 thousand, of Estonia by 204 thousand, while of the Leningrad Oblast by merely 2 thousand. Depopulation affected chiefly the Baltic independent states – Estonia and Latvia, where a 12% decrease of inhabitants was noted, while other regions appear less affected – Sankt Petersburg (8%), Lithuania (6%) and the Leningrad Oblast (0.1%).

A decline in the number of births in 1990s played a vital role in shaping the population of the analysed region. Its first symptoms, however, emerged in the 1980s, before the socio-economic and political changes (A. Jagielski, 1998).

The birth rate in the Baltic region of the former USSR in 1990 ranged from 10.8‰ in Sankt Petersburg to 15.4‰ in Lithuania, being higher in the Baltic republics and lower in areas belonging to the Russians. The decline of this rate in the 1990s in the entire region under analysis was most dynamic in the first half of the decade (Figure 1). During 3 years (until 1993) the birth rate in the oblasts of the Russian Federation decreased between 30% in the Kaliningrad Oblast and 39% in Sankt Petersburg. Much smaller changes were observed in following years, when the birth rate oscillated around 7‰ in Sankt Petersburg and the Leningrad Oblast, while in the Kaliningrad Oblast between 7.4‰ and 9.2‰.

Other countries of the region were characterised by similar changes in the birth rate (Figure 1). Its significant decline, however, drew to a close in 1994 in Lithuania and Estonia, while in Latvia it lasted until 1997. Since mid 1990s there has also been observed a fluctuation of rates, whose values were higher than in Russian oblasts. A birth rate between 8.8‰ and 9.7‰ was registered in Estonia, while in Latvia it amounted to between 7.6‰ and 9.6‰.

At the end of the 1990s, a slight increase in the birth rate per 1000 inhabitants was noted. It was a result of the children of the post-war baby-boom generation reaching their procreation age. (P. Szukalski, 1999). Merely Lithuania, in contrast to the other countries, was characterised by a systematic decrease of the birth rate, which reached in 2001 its lowest level of 9.1‰.

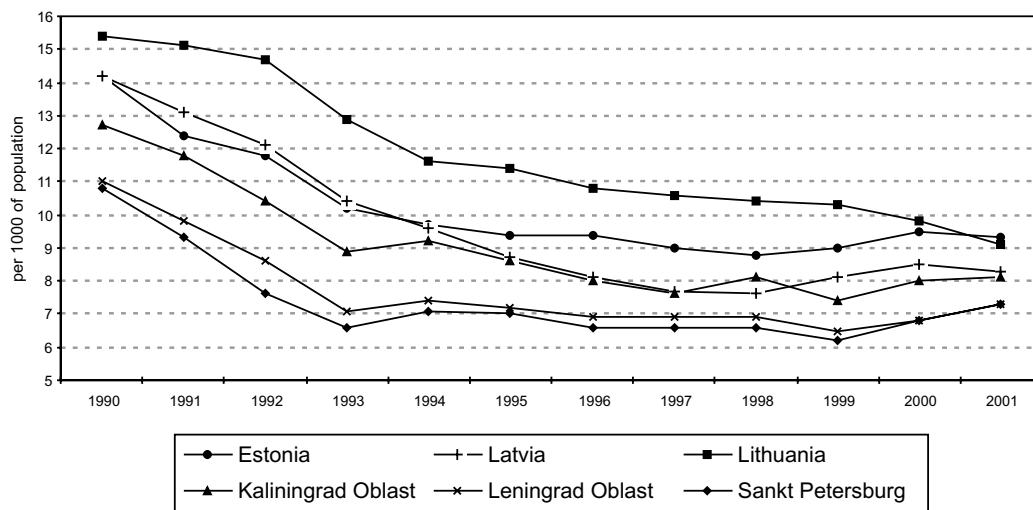


Figure 1. Live births per 1000 of population

Source: own studies.

In the final year of the period under analysis, the birth rates in the post-soviet part of Baltic Europe ranged from 7.3‰ in Sankt Petersburg¹ and the Leningrad Oblast to 9.3‰ in Estonia. They were still higher in the Baltic countries than in Russian oblasts. Within 11 years the most substantial decline was observed in Latvia (41.5%), Lithuania (41%), next were the Kaliningrad Oblast (36%), Estonia (35%), the Leningrad Oblast (34%) and Sankt Petersburg (32%).

Changes in fertility

A decline in number of births in 1990–2001 was related to the decrease in the fertility of women in the reproductive age (15–49). The fertility rate declined in the analysed area by approximately 40% (Figure 2). The slightest decrease was observed in Estonia (37%), while the most substantial in the Leningrad Oblast (45%) and Kaliningrad Oblast (44%). Throughout the entire period under analysis the fertility of women in Estonia, Lithuania and Latvia was higher than of women in the Russian part. In the 1990s, however, the disproportion between the fertility rate in the Russian oblasts and the independent Baltic republics diminished.

The analysis of age specific fertility rates (per 1000 of women) enabled a careful assessment of the changes in the field of fertility. In the years 1990–2001 there was a decline in fertility in all age groups among women in the post-soviet part of Baltic Europe (Table 1 and Table 2). The rates had not changed in merely the eldest group of women.

¹ Sankt Petersburg is characterised by the lowest birth rate among all Russian oblasts (P. Eberhardt, 2002a).

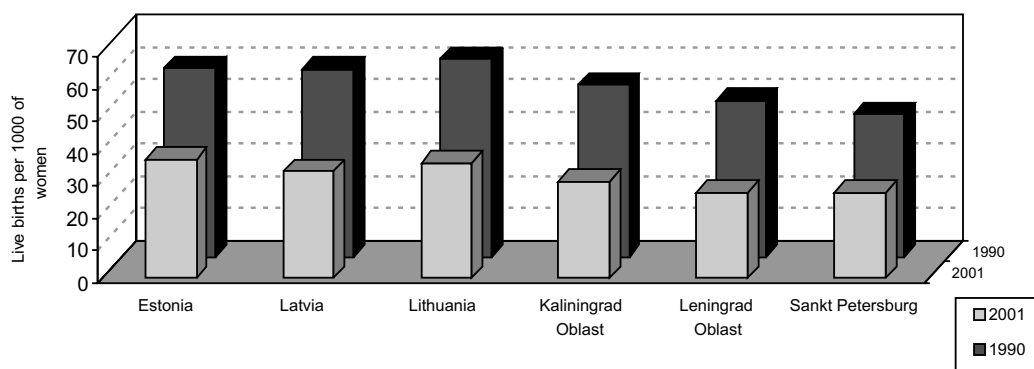


Figure 2. Female fertility of age 15-49

Source: own studies.

At the beginning of the 1990s, a discernible peak of fertility in the entire region related to women at the age of 20–24, while a lower intensity of procreation characterised women at the age of 25–29. The highest rates in both age groups were observed in Lithuania, Estonia and Latvia (Table 1). The inhabitants of Russian oblasts, especially younger women living in Sankt Petersburg, were characterised by lower fertility. The third place in the Baltic republics and Sankt Petersburg was taken by women at the age of 30–34, while in the Kaliningrad and Leningrad oblasts by women at the age of 15–19. Quite the opposite was true of the fourth place. The fertility of older women was by far lower.

In 11 years, there had been a shift in the highest fertility rate from the age group of 20–24 to 25–29 age group in Estonia, Latvia and Sankt Petersburg. Younger women were still more fertile in Lithuania as well as the Leningrad and Kaliningrad oblasts but a clear peak in fertility occurred only in Russian oblasts

Table 1. Female fertility in 1990

Countries and oblasts of the Russian Federation	Age specific fertility rates (per 1000 of women)						
	15-19	20-24	25-29	30-34	35-39	40-44	45-49
Estonia	54.9	165.3	103.9	55.1	23.4	5.0	0.2
Latvia	49.9	163.9	99.6	57.5	23.3	5.3	0.2
Lithuania	40.2	167.2	113.5	56.4	22.4	5.2	0.3
Kaliningrad Oblast	57.3	155.2	87.9	48.4	20.4	4.6	0.2
Leningrad Oblast	51.0	141.1	81.7	42.2	16.7	3.6	0.1
Sankt Petersburg	34.1	116.0	82.0	44.6	17.1	3.3	0.1

Source: own studies.

Table 2. Female fertility in 2001

Countries and oblasts of the Russian Federation	Age specific fertility rates (per 1000 of women)						
	15-19	20-24	25-29	30-34	35-39	40-44	45-49
Estonia	23.9	81.0	82.7	53.6	21.5	4.2	0.2
Latvia	17.2	75.2	76.4	47.1	20.2	5.0	0.3
Lithuania	21.8	85.2	83.8	45.1	19.0	4.3	0.2
Kaliningrad Oblast	29.1	87.5	61.9	34.8	10.6	2.0	0.0
Leningrad Oblast	24.7	79.7	57.3	29.6	9.7	1.7	0.1
Sankt Petersburg	14.7	68.3	69.0	37.8	13.5	2.3	0.1

Source: own studies.

(Table 2). In Estonia, Latvia and Lithuania as well as Sankt Petersburg the fertility of women at the ages of 20–24 and 25–29 varied slightly. In the Russian oblasts (except for Sankt Petersburg), a significant decrease in the fertility of very young women (15–19) as well as an increase of fertility in the age group of 30–34 was observed.

The age shift was accompanied by a decline in the analysed rates, which has been mentioned above. The most spectacular decrease was observed in the youngest age groups. In 2001 the fertility of young women in the age group of 15–19 was almost twice and in Latvia even thrice smaller than in 1990. A double decline in the fertility rate (in Estonia, Lithuania, Latvia) or almost double decline (Russian oblasts) was observed among women from the following age group (i.e. 20–24). Such a radical decrease in fertility could also be noted in the 35–44 age group in the Kaliningrad and Leningrad oblasts. There was also, to a smaller extent, a decline in fertility in the 25–34 age group of the entire region (between 18% in Sankt Petersburg and 43% in other Russian oblasts).

The causes of fertility fluctuations, observed in the post-soviet part of Baltic Europe in the last decade of the 20th century, should be sought in a series of social, economic and psychological conditions. The destabilisation of the economy had led to a deterioration of living conditions of families. A fall in income, uncertainty on the job market, the preference of professional career over family life, a lack of housing and faulty social infrastructure determined the postponed setting up of families and possession of offspring, sparse opting for motherhood or desisting from procreation altogether (P. Eberhardt, 2003). This becomes clearly reflected in the shift of age of highest fertility from the age 20–24 age group to the 25–29 age group as well as in the decline in fertility rate.

The cited factors have a universal character and accompany economic changes occurring also in the other countries in transition. Post-soviet countries are characterised, since the USSR, by widespread abortion, which is still regarded as

the principal method of birth control. On account of the unfavourable economic situation, its use may even be more universal than before the collapse of the USSR (M. Thorborg, 2002). The phenomenon occurs especially in Russia where two in every three pregnancies are aborted (P. Eberhardt, 2003). It is estimated that due to the committed abortions, even 1/3 of Russian women might be infertile, which distinctly limits the reproduction of the population (M. Thorborg, 2002). The scale of the problem is also prominent in other countries of the region. It was observed in 1996 that there were 1397 abortions in Estonia and 1225 in Latvia for every 1000 births. Slightly less was observed in Lithuania – 759 (J. Jankevics, 1998).

A synthetic measure of fertility is total fertility rate (TFR). TFR stands for the average number of children women give birth to during the reproductive period (15–49 years), in the reproductive conditions characteristic of a specific moment analysed. The measure of TFR indicates the type of reproduction occurring in a population, while the value 2.11 in the developed countries is called replacement level.

The post-soviet countries of Baltic Europe were characterised in the 1990s by childbirths that did not guarantee the replacement of generations (TFR below 2.11). The decrease of TFR was observed in the entire region and constituted a continuation of a trend that had begun before the formal dissolution of the USSR in December 1991.

In the 1980s, TFR level underwent fluctuations, insubstantially exceeding, however, the replacement level (M. Macura, 1995). The maximum TFR was observed in Latvia in 1986 (2.15), in Russia (2.22) and Lithuania (2.15) a year later and in 1988 in Estonia (2.26). An accelerated decrease in the rate (with the exception of Lithuania, where the initial decrease was insignificant) began in the peak of the perestrojka period in the years 1988–1989 and lasted until 1993 (A. Kowalska, 1999, Fig. 7, p. 137). In the following years the tempo of changes decreased, while in the second half of the 1990s there was a slight rise of TFR.

Between 1990 and 2001 TFR dropped approximately by 40% in Latvia as well as the Kaliningrad and Leningrad oblasts, while in Estonia and Lithuania by approximately 35%. A relatively minor decline (30%) was observed in Sankt Petersburg (Figure 3), where the lowest TFR level were noted throughout the entire decade (1.49 in 1990 and 1.03 in 2001). This is typical for urban areas, in which the model of families with fewer offspring appeared the earliest (P. Eberhardt, 2003).

A higher level of TFR was characteristic of the independent Baltic republics (just above 2.00 in 1990 and more than 1.20 eleven years later). TFR in the Russian oblasts was no greater than 2.00 in 1990 and was even below 1.15 in 2001. The lowest statistics, as only 1.02 children were marked in the Leningrad Oblast. Due to this, the Baltic oblasts of Russia were below the country's average (1.25).

The decrease in TFR in the period of economic changes which took place reveals the possibility of adaptation to the new and more difficult conditions, where numerous families are more liable to suffer poverty (P. Szukalski, 1999).

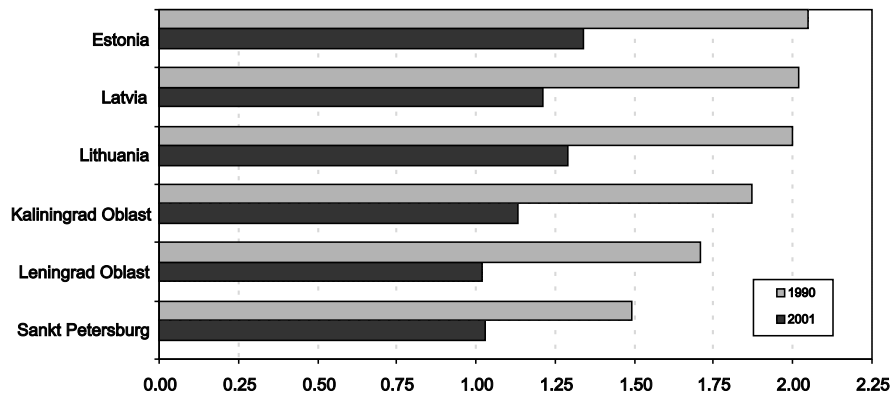


Figure 3. Total fertility rate

Source: own studies.

Changes in nuptiality

In 1990, the number of marriages in the Baltic region, which belonged to the USSR, ranged from 7.5 in Estonia to 10.3 marriages per 1000 of population in Sankt Petersburg². In the 1990s a decline in new marriages was marked in all countries of that region (Figure 4). However, in terms of the intensity of changes the regions were divided into two groups.

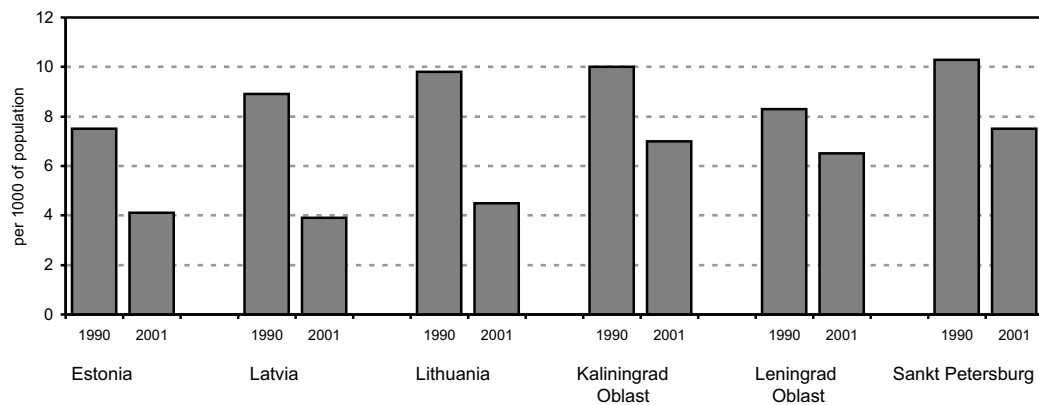


Figure 4. Crude marriage rate (per 1000 of population)

Source: own studies.

² The rate of marriages has been presented by means of the crude marriage rate (per 1000 of population), calculated as a relation between the number of marriages and the number of inhabitants. Its interpretation is limited since the factor does not take into account the changes in the structure of the analysed population. It does, however, give a general outlook on the tendencies occurring in those ranges. The crude divorce rate has been calculated analogically.

One group includes Estonia, Lithuania and Latvia where between the years 1990 and 2001 a twofold decrease in marriages was noted. During the whole decade of the 1990s Lithuania was characterised by a systematic annual decline of the marriage rate (from 9.8‰ in 1990 to 4.5‰ in 2001). In Latvia and Estonia the decrease in the number of marriages occurred until 1996, after which there was a stable period in which the rate remained at the level between 3.9 and 4.1 marriages per 1000 inhabitants.

A separate group is formed by the oblasts of the Russian Federation, where the decline of nuptiality at the time of noting was lower than in the Baltic republics and ranged from 21% in the Leningrad Oblast to 30% in the Kaliningrad Oblast (Figure 4). This area was also characterised by a slightly different course of marriage rate. The number of the latter decreased until 1998, whereas from 1999 an increase in new relationships per 1000 inhabitants was noted. In comparison with the Baltic republics, where at the beginning of the 21st century there were approximately 4 marriages per 1000 inhabitants, the Russian oblasts had a greater nuptiality, between 6.5‰ in the Leningrad Oblast and 7.5‰ in Sankt Petersburg.

The differences between Lithuania, Latvia, Estonia and the oblasts now belonging to the Russian Federation are more apparent in the subject of divorce. A greater number of marriages is noted in Russia together with an alarmingly higher divorce rate. This rose in the last decade of the 20th century by 20% (Figure 5). In 2001 the statistics were 5–8% higher than the average in Russia (5.3‰) and they could be found in the range of 5.7‰ (in the Kaliningrad Oblast) and 6.5‰ (in Sankt Petersburg).

A different situation was observed in the independent Baltic republics. These were characterised by quite high divorce rates when compared to the countries of Western Europe but lower than in the analysed Russian area (Figure 5). In the

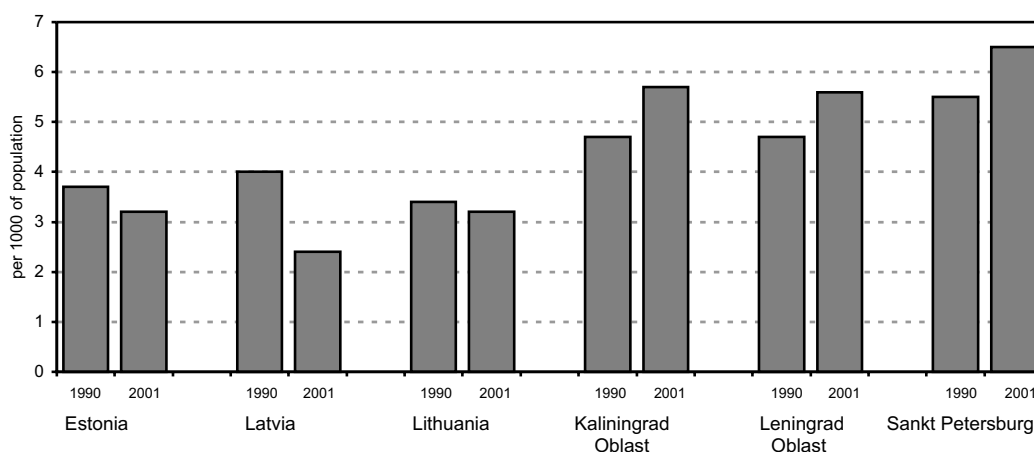


Figure 5. Crude divorce rate (per 1000 of population)

Source: own studies.

1990s, divorces per 1000 inhabitants decreased in number and the greatest decline was observed in Latvia (approximately 40%).

The data reveals a crisis in the marriage and family institution in the research area. The difficult economic situation connected with the conversion to a market economy had a profound influence on the above. The deteriorating living conditions, lack of housing and the annihilation of the privileges that were pro young married couples as well as the uncertainty on the job market were the main causes that led to postponing decisions concerning marital status. This was visible especially in the Russian oblasts where, as an opposition to the young people of the same age of Western Europe, the people here remain to live with their parents who provide for them.

The decreasing number of marriages in Estonia and Latvia can be moreover explained in the light of the spreading Scandinavian lifestyle, which is very familiar to these countries (A. Maryański, 1993). This has taken its course especially among the younger age groups as the widely accepted informal relationships. This model of behaviour is very popular among the native Estonian population. The following statistics demonstrate this. At the beginning of the 1990s around 60% of the Estonian population at the age of 20–29 lived in consensual unions (J. Indulski, J. T. Kowaleski, 1998). Cohabitation is more rare in the case of migrants of the Slavic origin. Their emigration at the beginning of the 1990s had an impact on the decrease of the rate of marriages in the independent Baltic republics.

The high divorce rates typical of the whole discussed region reflect the liberal nature of dissolving marriages which dates back to the time of the USSR. A vital consequence of the high level of divorces especially in the oblasts of Russia, is the worsening conditions of bringing up children in incomplete families. In the Kaliningrad Oblast every third child is brought up in such a family (V. Zhdanov, V. Pustovgarov, G. Fedorov, 2002).

The alterations in marriages which occurred in the 1990s in the part of Baltic Europe which this paper focuses on, were accompanied by the growth of extramarital births. In all the countries and oblasts of Russia an increase in the births of illegitimate children was noted, although the intensity of the situation varied.

The greatest percentages of extramarital births can be found in Estonia and Latvia (Figure 6). Already in 1990 Estonia revealed statistics of over 27% of such births and Latvia about 17 %. In the Baltic oblasts of Russia their number was higher than 10% in 1990, however, the lowest was in Lithuania (7%).

In the 1990s in Lithuania there was the highest noted rise in the percentage of births of illegitimate children (above 3.5 times). In the year 2001 every fourth child was born illegitimate. In the other countries and Russian oblasts this level rose during eleven years by twice the number. At the beginning of the 21st century above 56% of young Estonians³ and about 42% Latvians were born to un-

³ The percentage of extramarital births in Europe was higher only in Iceland (66%) and Sweden (55%).

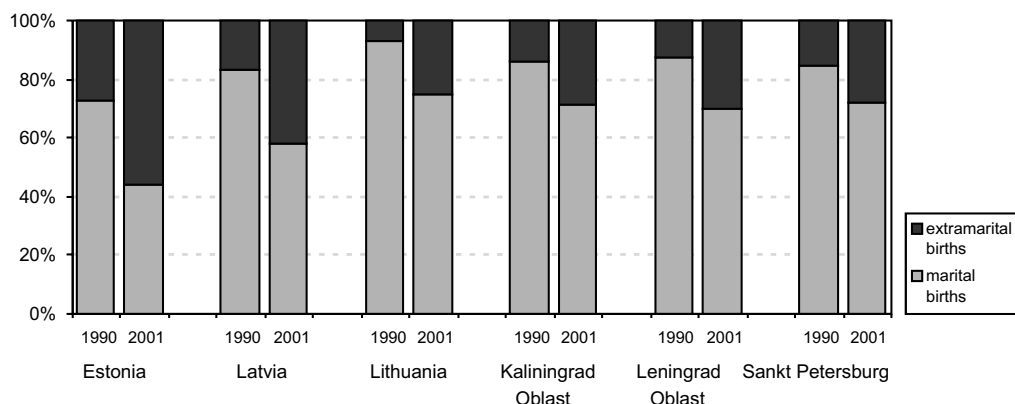


Figure 6. Births by marital status

Source: own studies.

married couples. The Baltic republics were characterised by a systematic annual increase in such births as a contrast to the three analysed Russian oblasts, where the rate of illegitimate births rose until 1998 and stabilised in the next years and reached 28–29%.

The increase in illegitimate births has been under observation in most Western and Northern Europe countries since the 1970s of the 20th century. According to D.J. van de Kaa (P. Szukalski, 2000) the explanation for the occurring changes in the extramarital procreation lies in the sphere of cultural patterns which form human behaviours. In the recent years the domineering attitude is an assumption that the aim of proper functioning is one's own self-realisation and happiness. The growth in number of illegitimate children could be therefore perceived as a way of fulfilling the maternal instinct when there is lack of an appropriate partner in a legal relationship.

Another reason of illegitimate births is the crisis of the marriage institution and widespreading of consensual unions, where the birth of child is a planned and awaited moment (P. Szukalski, 2000). The whole situation is supported by the growing social acceptability of this pattern of procreation and in some countries it is the social and fiscal policies which favours illegitimate children. The extramarital procreation is particularly popular in Scandinavia where the population reproduction is mostly based on illegitimate births.

The increase in the number of illegitimate births in the area of research is a reflection of the demographic trends observed in whole Europe. The evident intensity of the occurrence in Estonia and Latvia after 1990 is an effect of the spreading of cultural patterns which are close in nature to the Swedish or German customs (A. Maryański, 1993). The influence of the Catholic religion reflects a slightly lower level of extramarital procreation in Lithuania.

Summary

The evolution of procreational attitudes and marital behaviours observed in the 1990s of the 20th century in the post-soviet parts of the Baltic Europe is consistent with the theory of the second demographic transition. The essence of the latter are the changes in the family model, rules governing and breaking it (A. Kowalska, 1999). However, the driving force behind the observed changes in the analysed areas like in other countries of the Central Eastern Europe, was by far the economic situation connected with the introduction of the market economy reforms, rather than a diffusion of postmodern demographic behavioural patterns (P. Szukalski, 1999). The first symptoms of the fertility decrease appeared in the 1980s before the setting of social-political changes (A. Jagielski, 1998). The economic reforms (perestrojka) began under M. Gorbachew government accelerated changes, whose intensity was apparent after the dissolution of the USSR, at the beginning of the last decade of the 20th century.

In the whole region the discussed demographic modifications were going in the same direction (with the exception of divorces). However, as far as the spread and the greatness of changes are concerned differences between independent Baltic republics and the Russian part were observed. The decreasing rates of female fertility and TFR were lower in Russian oblasts (in Sankt Petersburg they reached a tragically low level). The growth of illegitimate births was also lower there. On the other hand the higher fertility rate in Lithuania, Estonia and Latvia was accompanied by a growth in the extramarital procreation. The latter two countries reached similar statistics as the ones found in the Nordic culture. A considerably longer decline of marriages than in the Russian part was registered in this part of the region. However, there were different tendencies in the subject of divorces. In the 1990s the dissolvment of marriages was stronger in the Russian oblasts as a contrast to the other countries where the number of divorces had declined.

The disadvantageous tendencies in the fertility rate were brought about violent increase in the death rate, under observation in the post-soviet part of the Baltic Europe since 1993. In the deteriorating economic conditions the rapidly increasing death rates revealed an unsatisfactory level of health care and social services (T. Michalski, 2001).

The negative consequence of the changes in fertility and death rates was a rapid decrease in the natural increase rate which turned into a natural decline of population, especially in the Russian oblasts, at the beginning of the 1990s (D. Ediev, 2001). The decrease in this part of the former USSR was partly patched up by the surplus migration rate (P. Eberhardt, 2002a). The lower level of the negative rates of natural population growth in the Baltic republics with a negative or zero balance of migration was the cause of relatively higher losses of population in those countries.

In the opinions of demographers, the decrease of population of the postsocialist countries will be an outcome of the fossilization of western patterns of life where

the tendency to give birth is low (P. Szukalski, 1999). The demographic regression in this region will also undoubtedly increase in depth due to the population's tragic state of health and as a result of civilizations long-lasting neglect.

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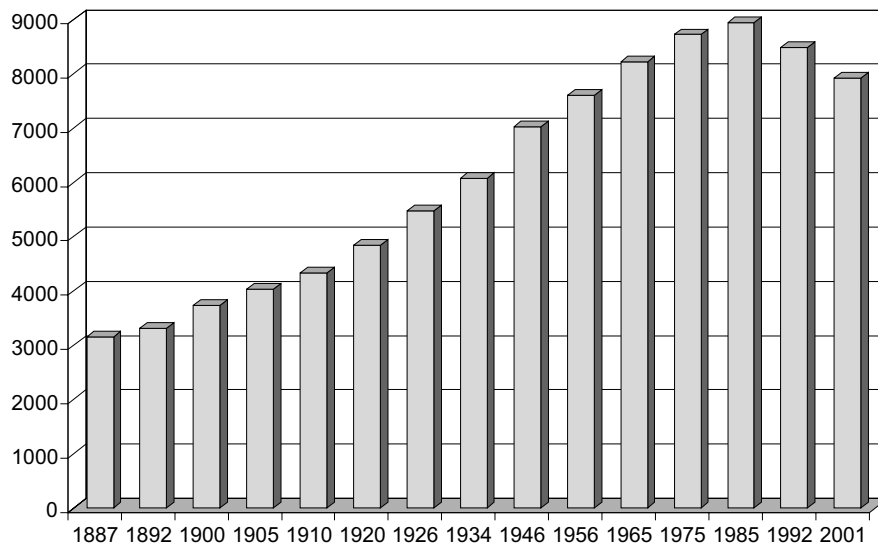
Adverse Natural Population Changes in Bulgaria During the Period of Transformation: a Pressing Demographic Problem of Our Time

The fundamental political, social and economic restructuring, which took place in Central and Eastern European countries during the last decade, influenced the general and specific features of their demographic development. External migration of varying intensity originated alongside with the trends towards worsening of the age structure and population aging, decreasing of birth rates, increasing of death rates and adverse natural population natural changes. This outflow of young, enterprising, working-age people will inevitably have a negative effect in the next decades which will further deepen the demographic problems in the respective countries.

According to the number of its population Bulgaria belongs to the mid-sized European states. It ranks 20th among the 46 nations on the European continent with 7.9 million people (2002 data). The socio-economic transformations during the years of transition to market economy in Bulgaria are accompanied by numerous changes in the demographic characteristics and processes. Certain negative trends in the dynamics of the demographic indices, which started in the last decades, can be still distinguished. From the first census-taking in 1880 for the Principality of Bulgaria and in 1884 for Eastern Roumelia¹ to the early 1990s (Figure 1) Bulgaria's population was steadily increasing. At the end of 1985 it was 8 948 600 people. Prognoses were made that in the second half of the 1980s it would grow over 9 million but instead, at the beginning of the 21st century it dropped below 8 million.

Bulgaria's population began to decrease since the mid-1980s. To be more precise the country experienced a perceptible population decline in 1989 when, as a result of a forcible renaming of the population from the Turkish ethnic group, a fairly large emigration wave was directed to Turkey. In the early 1990s for the first time in the centenary census-taking practice the statistics showed a popula-

¹ After the liberation of Bulgaria from the Ottoman oppression in 1878, the Berlin Congress (June, 1878) divided the newly formed Bulgarian state into several parts, having different statute: the vassal Principality of Bulgaria subject to Turkey, an autonomous region, known as Eastern Roumelia, vast areas which were returned to Turkey and others – annexed to Romania and Serbia. In 1885 Eastern Roumelia and the Principality of Bulgaria were integrated.



*According the first census in 1880 the number of population of Kingdom Bulgaria – 2000.9 th. pers. and in 1884 – of Eastern Rumelia – 942.7 th. pers.

Figure 1. Number of Bulgaria's population by censuses

Source: National Statistical Institute, Sofia.

tion decrease. The 1992 census-taking recorded a population decline by 450 000 people as compared to the 1985 – figures.

During the last decade the tendency towards a population decline persisted. The census data indicate that in March 2001 the number of the population was 7 933 000 people. For the eight-year period between the last two census-takings (December 1992 – March 2001) it decreased by 554 300 people. In the 1989–2000 period the decrease was by 975 000 people which was most marked in the early 1990s (Table 1). These adverse changes resulted from the unfavourable demographic processes and phenomena as well as from the complexly interwoven economic, social, political and other factors and causes.

Hence, the demographic processes are similar by nature to those in the remaining European states but in Bulgaria their negative impact is stronger.

Significant changes occurred in birth-rates and death-rates during the last few decades in the country. As A. Totev maintains (1992), in the beginning of the 1990s it entered the last stage of demographic transition, generating a new type of population reproduction, which led to a new birth rate – death rate ratio.

Today Bulgaria is considered to be amidst the nations notable for their low birth rates both on European and global scale in spite of the partially implemented pro-natal policy, initiated in 1973. The low birth rates cause a substantial population drop, degrade the age structure, etc. For the years 1946–2002 they

Table 1. Change of the population in Bulgaria (1985–2002)

Year	Thousands*	Year	Thousands*
1985	8949.9	1994	8427.4
1986	8966.5	1995	8384.7
1987	8976.3	1996	8340.9
1988	8986.6	1997	8283.2
1989	8992.3	1998	8230.4
1990	8669.2	1999	8190.9
1991	8595.4	2000	8149.5
1992	8484.8	2001	7929.5
1993	8459.7	2002	7845.8

*At the end of the year

Sources:

1985–1989: Statisticheski Godishnik na Narodna Republika Bulgaria, 1991, National Statistical Institute;

1990–2001: Statisticheski Godishnik na Republika Bulgaria, 2002, National Statistical Institute;

2002; Naselenie 2002, 2002, National Statistical Institute.

marked almost a 3-fold decrease – from 25.2‰ to 8.5‰ (Figure 2). They reached their lowest level in 1997 – 7.7‰. The number of those, born throughout the 1990s and in the first years of the 21st century, also considerably decreased (Table 2) –

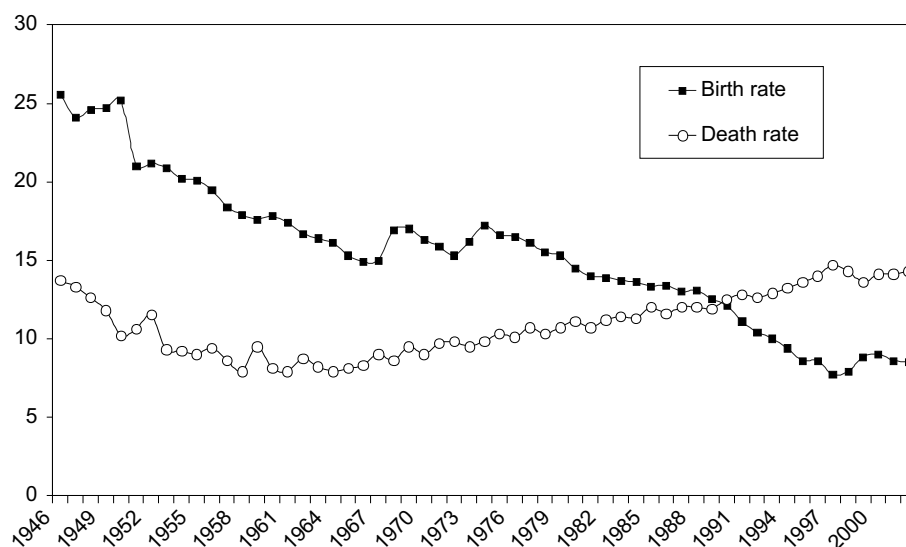


Figure 2. Birth rate and death rate in Bulgaria 1946–2002 (per 1000 of the population)

Source: National Statistical Institute, Sofia.

Table 2. Live births, deaths and natural increase of the population in Bulgaria

Year	Live births (thousand)	Deaths (thousands)	Natural increase (thousands)	Natural increase (‰)
1989	112.3	106.9	5.4	0.6
1990	105.2	108.6	-3.4	-0.4
1991	95.9	110.4	-14.5	-1.7
1992	89.1	108.0	-18.9	-2.2
1993	84.4	109.5	-25.1	-2.9
1994	79.4	111.7	-32.3	-3.8
1995	72.0	114.7	-42.7	-5.0
1996	72.2	117.1	-44.9	-5.4
1997	64.1	121.8	-57.7	-7.0
1998	65.4	118.2	-52.8	-6.4
1999	72.3	111.8	-39.5	-4.8
2000	73.7	115.1	-41.4	-5.1
2001	68.2	112.4	-44.2	-5.6
2002	66.5	112.6	-46.1	-5.8

Source: Statisticheski Godishnik 1992, 2000; Statisticheski spravoschnik 2001, 2002; Naselenie 2002.

from 112 300 (1989) to 66 500 people (2002), i.e. by 40.8%. Generally, the low birth rates were characteristic both of towns and villages. At a national level the last decade recorded birth rates in the urban and rural areas, roughly alike. During 1990–2002 the birth rates in the towns decreased from 12.6‰ to 8.8‰ and in the villages – from 10.9‰ to 7.9‰ (Figure 3). There are appreciable spatial differences in the birth rates of the individual municipalities – the smallest administrative units in the country, 264 in number. Areas of low birth rates, especially as far as the rural population is concerned, can be clearly outlined in Northwest and West Bulgaria, in the Stara Planina central parts, in Sakar and even in some municipalities of the Danube Plain and the Upper Thracian Lowland. Areas of higher birth rates can be discerned in the Western Rhodopes, in the eastern corner of North Bulgaria, in the Eastern Stara Planina, etc. (1993–2000) (Ch. Mladenov, 2002). Figure 4 illustrates the birth rate spatial differentiation for the delineated 28 regions in the country.

Important role for slowing down the birth rates have the economic performance of the country which became extremely gloomy in the beginning of the transition period and in the years 1997–1998; they can be expressed in terms of the socio-economic difficulties in Bulgaria as a consequence of the deeper economic crisis, the slower pace of economic and social reforms as compared to other

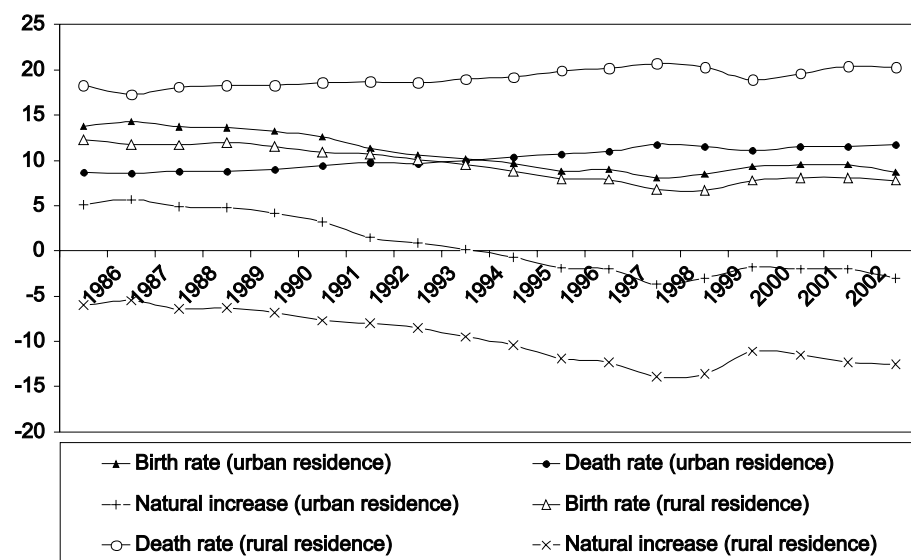


Figure 3. Birth rate, death rate and natural increase of the population in urban settlements and rural areas in Bulgaria

Source: National Statistical Institute, Sofia.

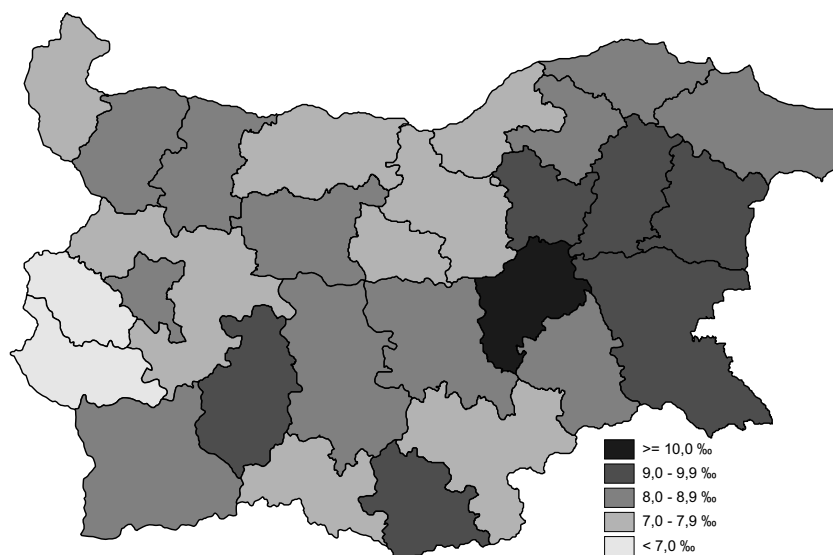


Figure 4. Birth rate by districts (2002)

Source: National Statistical Institute, Sofia.

nations in transition, the low incomes, the high living costs, the reduced employment, etc. Mention should be made of additional factors such as the degraded age structure, the intense emigration of young people during the 1990s and in the beginning of the 21st century, the improved educational level, the ethnic composition, the reduced cohort of women in fertile age, the high share of employed women, the lower female fertility, the decreasing number of marriages, the delay of marriages, the greater use of contraceptives, the introduction of “new” patterns of reproductive behaviour, etc.

In 1989–2001 owing to social, economic, psychological and other reasons, a marked restriction of the number of marriages and of the crude marriage rate was observed (Table 3) in spite of the fact that Bulgaria has a traditionally high share of legitimately married couples. This can be attributed to the more widely accepted practice of establishing extramarital relations on a consensual basis. Nowadays more and more young couples choose to live together without entering into a legal matrimony. This adversely affects the crude birth rate because usually the couples postpone their first child. In the years of transition the average age at first marriage goes up – from 24.7 (1990) to 28.1 (2002) for males and from 21.7 to 24.8 for females which is associated with various economic, social, psychological and other causes. Bulgaria is among the European countries with

Table 3. Marriages and divorces (1989–2001)

Year	Marriages (Thousands)	Divorces (Thousands)	Crude marriage rate (‰)	Crude divorces rate (‰)
1989	63.3	12.6	7.0	1.4
1990	59.9	11.4	6.9	1.3
1991	48.8	11.0	5.6	1.3
1992	44.8	9.5	5.2	1.1
1993	40.0	7.3	4.7	0.9
1994	37.9	8.0	4.5	0.9
1995	36.8	10.7	4.4	1.3
1996	35.7	10.0	4.3	1.2
1997	34.8	9.4	4.2	1.1
1998	35.6	10.4	4.3	1.3
1999	35.5	9.8	4.3	1.2
2000	35.2	10.6	4.3	1.3
2001	32.0	10.3	4.0	1.3

Sources: Statisticheski Godishnik na Republika Bulgaria 1990, 1996, 2000, 2002, 2003; Naselenie 2002.

the lowest total fertility rate – 1.24 (1997). Only Italy, the Czech Republic and Spain rank after it (Evolution demographic..., 1997). In 2002 this rate was 1.21.

The statistical data imply insignificant differences in the number of divorces and the crude divorce rate by age groups (Table 3). At the same time the average marriage duration before the divorce tends to increase from 9.4 years (1990) to 12.8 years (2002). The crude divorce rate in the towns (1.6‰), where young people predominate, is twice as high as that in the villages (0.7‰).

The abortions are assumed to be a traditional birth rate limiting factor. Their number, especially in the early 1990s, significantly exceeded the number of live births. Only in the last years (1999–2001) this trend began to change (Figure 5). At the same time the share of the illegitimate births grew. For a comparatively short period (1990–2002) it rose from 12.4% to 42.8%. The growth of illegitimate births is due to the increasing number of couples, who live together without being legitimately married, and to the earlier age at which the young people begin sexual intercourse as they ignorant of sexual issues and are unaware of the conventional preventive measures. Therefore Bulgaria takes one of the leading positions in Europe with regard to juvenile natality to which contribute mostly gypsy girls.

Within the framework of the 2001 census-taking a representative questionnaire was filled out, which showed that the Bulgarian families had revised their views about the reproductive pattern. The number of those, willing to have one child grew, while the number of people, inclined to have two children, decreased (Table 4). During the last years transformations occurred in the reproductive be-

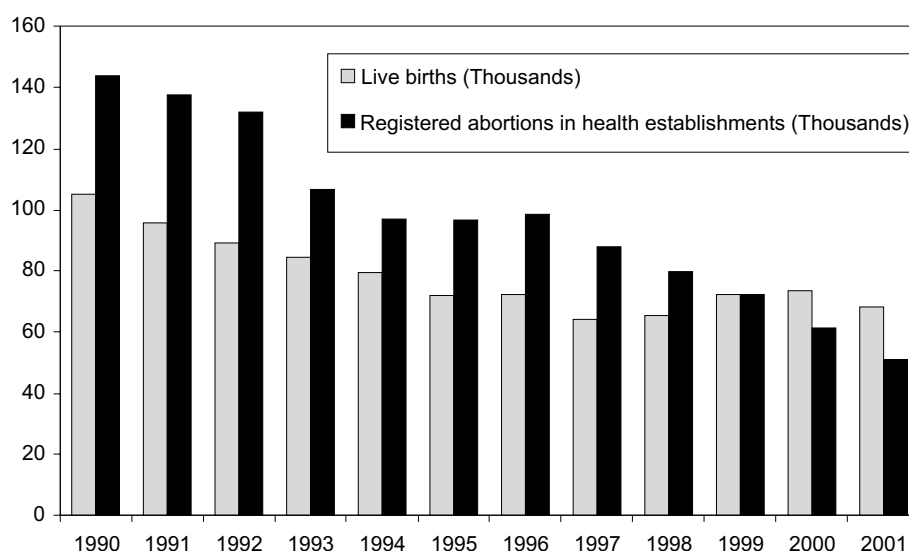


Figure 5. Live births and registered abortions (1990–2001)

Source: Sources: Statisticheski Godishnik na Republika Bulgaria 2002; Naselenie 2002.

Table 4. Reproductive ideals and real number of children in Bulgarian family

Number of children	How many children have to have Bulgarian Family?	How many children like to have you personally?	How many children had you till now?
No	4.0	3.1	7.7
One	17.8	13.4	19.0
Two	63.1	64.6	59.8
Tree and more	15.1	17.4	13.5

Source: National Statistical Institute, Sofia.

haviour of the ethnic groups. In the near past the Turkish (757 800 people, 2001) and gypsy (365 700 people) ethnic groups were remarkable for their higher birth rates than the Bulgarian one. The curtailed cohort of females in fertile age as a consequence of the massive emigration movement of Turks in 1989 and the aggravated social and economic conditions reduced the birth rate. The gypsies have still preserved high birth rates and two- or many children family pattern. For the majority of the Bulgarians (60%) the two-children reproductive pattern seems to be perfect. The tendency towards birth rate decrease is not typical only of Bulgaria. Low birth rates are recorded in many of the European countries, too – Germany (9.3‰), Italy (9.3‰), Slovenia (9.1‰), the Czech Republic (8.8‰), the Latvian Republic (8.5‰), Ukraine (7.8‰), etc. (Recent Demographic..., 2001).

The death rate as a social and biological phenomenon also chiefly depends on the social, economic and biological factors and conditions. The socio-economic conditions, the standard of living, the age and sex structure of the population, the educational level, the health services and health status, the general and health knowledge, the norms, culture and structure of nutrition, the environmental pollution, the comfort of living environment, the working conditions and their safety, the safety of roads and means of transport, the behaviour of motor drivers, the natural calamities, the accidents in production enterprises, etc., contribute enormously to the death rate level.

The death rates slightly grew in the 1970s and the 1980s. More substantial increase was observed in the 1990s (Figure 2) when the negative changes in the socio-economic, social-psychological, health and other factors and condition exerted a stronger impact. The peak death rates were recorded in 1997 (14.7‰ – the highest for the period after 1946). During the next years they insignificantly decreased. The investigations indicate that the rising death rates in the 1990s resulted mainly from the death rate increase in the older age groups. The population aging will promote the upward trend of death rates in the future years.

The death rates show considerable variations between towns and villages. In the villages they are much higher and continue to grow (Figure 3) which is ascri-

bed to the greater share of old-aged population, the declining health care services during the period of transition, the adverse consequences of the economic crisis which were more impressive in the villages, the lower incomes of the population, etc. The high death rate over 20‰, reached in the mid-1990s, is still preserved. Considering the specific features of the demographic processes, this trend of high death rate in the villages will persist in the future as well until their population age structure normalizes by natural causes. In addition, the high death rates will accelerate the depopulation process, which is more evident in the northwestern areas of the country, in the western border regions, in the Pre-Balkan zone, in the Central Stara Planina, in Strandzha-Sakar, etc. Throughout the period of investigation the variations in the death rate level of the urban population are smaller than those of the rural population (Figure 3). So, it can be suggested that during the last few years the values of this indicator tended to remain stable. The above mentioned variations reflected on the death rate differentiation by regions (Figure 6).

The death rate varies by age and sex groups. It still keeps higher for males (15.7‰, 2002), as it used to be, than for females (13‰). This is due to the higher death rate for working-age males, which in turn is associated with their employment in the production sphere where the working conditions are more dangerous, as well as with smoking, with retirement at older age than women, etc. As a whole, the death rate both for males and females in the villages is higher than that in the towns.

The different death rates for males and females determine different life expectancy, which rises from 70.91 in the beginning of the transition period to 71.87 in

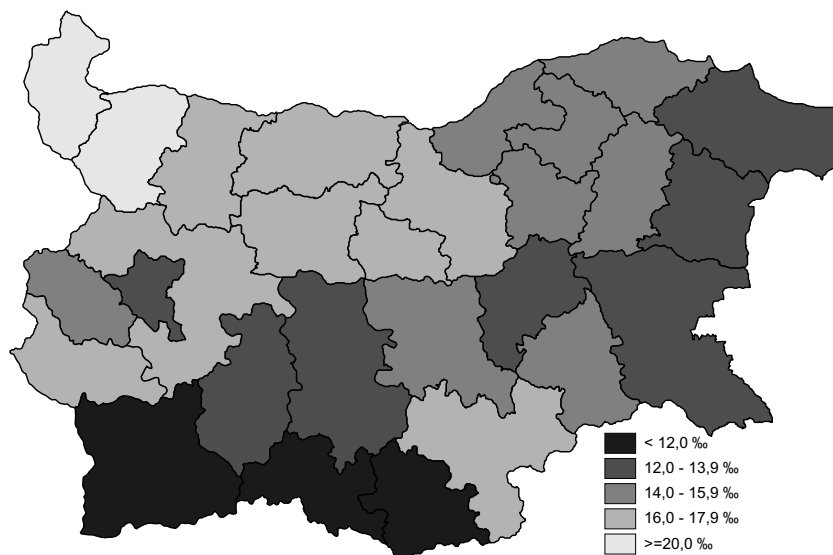


Figure 6. Death rate by districts (2002)

Source: National Statistical Institute, Sofia.

2002. The rise for females is 75.37 years and for males – 68.54 (2002 data) or females live 7 years longer than males.

While dealing with the issues of death rate, infant mortality deserves particular attention from scientific, demographic and humane viewpoint. The infant mortality rate is an integral index, revealing the standard of living, the socio-economic development, the efficiency of health and demographic policy. The achievement of the lowest infant mortality rate (13.6‰, 1988) is a matter of fact and should be attributed to the implemented governmental policy. After 1989 the infant mortality rate increased and displayed variability – 14.8‰ (1990), 17.5‰ (1997) the highest value throughout the period of investigation), 13.3‰ (2002). These values are too high in comparison with the advanced states such as Sweden, Switzerland, France, Norway, Finland, Japan, etc. Despite the high level of urbanization in Bulgaria (69.6‰ of the population live in towns, 2002 data) and the equalization of living conditions in the urban and rural areas, the infant mortality in the villages remains higher. During 1995–2000 it reached its peak in South-eastern Bulgaria and in certain municipalities of North-western and North-eastern Bulgaria while the lowest values were recorded in the central parts of North and South Bulgaria (Ch. Mladenov, 2002). The high infant mortality necessitates an adequate state policy (demographic, health, socio-economic), which will bring it down to the infant mortality level in the advanced West-European nations. This is undoubtedly an important resource for population growth and for improvement of the demographic situation in the country.

By its crude death rate Bulgaria takes an unenviable position among the European states. In 2000 higher death rate was recorded only in the Russian Federation (15.3‰) and Ukraine (15.4‰). That is why the causes for the high death rate have to be carefully studied. The National Statistical Institute provides data, which indicate that in 95% of the cases death is disease-related (1990–2001) (Table 5),

Table 5. Deaths by causes (Thousand)

Causes of death	Year			
	1990	1995	2000	2001
Total	108.6	114.7	115.1	112.4
Diseases	103.0	109.1	110.4	108.0
Neoplasms	15.1	16.1	15.3	15.5
Diseases of circulatory system	66.8	72.9	76.3	74.9
Diseases of the respiratory system	6.5	5.3	4.5	3.7
Diseases of the digestive system	3.3	3.6	3.0	2.9
Accidents and poisoning	5.6	5.5	4.7	4.4

Source: National Statistical Institute, Sofia.

caused especially by blood circulatory system disorders, neoformations, etc. Unfortunately Bulgaria ranks among the leading states in Europe with respect to cardio-vascular illnesses (infarction), malignancies and brain injuries (insults).

The unfavourable birth and death rates bring about a drastic decline in natural increase. In addition, the powerful emigration wave in the end of the 1980s and the first half of the 1990s and the impact of the economic and socio-psychological factors have also to be taken into account. A negative natural increase was first recorded in 1990 (-0.4%). Until 1997 its downward trend was accelerating (Table 2). At the end of the period under investigation the situation slightly improved. A comparison with other European states indicate that the natural increase in them is negative but remains higher than that in Bulgaria – e.g. in Hungary it is -3.8% , in Estonia -4.8% (1999). In few countries the natural increase is lower – the Russian Federation (-6.6%) and some others.

The surveys show that during the last two census-takings only the negative natural increase generated a population decline by 337 000 people approximately (I. Balev, P. Bozhikov, 2002). By analyzing the natural population changes in Bulgaria and comparing them with the figures about the other European countries it becomes obvious that a serious problem in the present-day demographic situation is the maintenance of a high death rate level rather than the low birth rate level.

At a regional level the natural increase displays different characteristics and trends which depend on the number and age structure of the population, the ethnic composition, the socio-economic conditions, etc. The available differences in the natural increase by regions are demonstrated in Figure 7. Since 1994 the

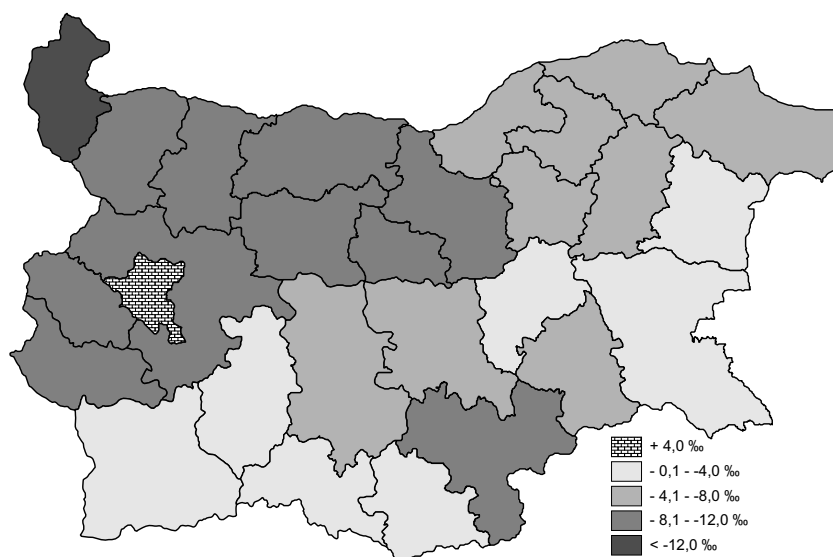


Figure 7. Natural increase of the population by districts (2002)

Source: National Statistical Institute, Sofia.

natural increase assumed negative values even in the towns – in 2002 it was – 2.9‰. Very disturbing is the situation in the villages where the natural increase acquired negative values as early as the mid-1970s. Afterwards it continued to go down and in 1997–1998 reached its lowest level (from –13.3 to –13.9‰).

The elaborated demographic prognoses (D. Filipov, 1998 etc.) somehow differ as they have used different methodologies and techniques. Now a new prognosis about the changes in the population number is being worked out, based on the 2001 census data and on the influence of the demographic processes during the transition period. According to the initial prognostic estimates on the population reproduction potential, which have employed census data and statistics for the natural population changes during 1998–2000 (without taking into account the potential external migration), in 2021 Bulgaria's population is predicted to be 7.2 million people and in 2030 – 6.5 million (Ch. Mladenov, 2002). For the above mentioned 20-year period the decrease will be by 10% and for the 30-year one – by 18.5%, i. e. there will be a trend towards a rapid population drop by natural causes.

A common feature of all prognoses is that they forecast a steady population decline. This unfavourable and persistent tendency requires an adequate national policy, aimed at:

- economic revival with a view to reaching a stable growth and sustainable economic development at macro- and micro-level;
- application of a comprehensive approach, guaranteeing not only a higher rate of population natural increase but also qualitative changes in the younger generations;
- a broader and more active involvement of the state, of the government and non-government bodies and organizations in the implementation of pro-natal policy throughout the country;
- turning the demographic policy into a primary component of the social policy;
- restriction of unemployment and creating better job opportunities;
- improvement of health services and reduction of crude death rate and of infant mortality rate;
- more extensive application of family planning, resulting in birth rate growth;
- creation of the necessary conditions and prerequisites by the government for reducing the number of the potential and real emigrants;
- full protection of children by the state;
- establishing an ecological comfort as part of the living environment.

The implementation of such a policy in combination with other effective decision-makings will stabilize the current demographic development and improve the future demographic situation. This is an important necessity, which in the next centuries will allow Bulgaria, one of the oldest European states, to remain on the map of Europe.

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Alena Sedláková

The City-Periphery Migration and the Process of Suburbanisation in Czech and Slovak Post-Communist Cities

Introduction

The Czech and Slovak post-communist cities undergo a dynamic transformation since the beginning of the 1990s. Over forty years of their common existence in one socialist state enable us to compare them in larger extent. Former socialist cities, as Sýkora writes, have not been quickly and fully transformed into capitalist one. Their development exhibits many specific features. They now develop in the context of a capitalist society, however, socialism has markedly altered their spatial structures. They are cities in transition. Therefore, their research must focus on studying the processes of change rather than on the sole description of static spatial patterns (L. Sýkora, 2000). One of the cardinal transformation processes than participate in changes of intra-urban structures of post-communist cities is suburbanisation. The process operates in nowadays very dynamically transforming peripheral area of cities, the suburban zone. The comparative analysis as a scientific method based on comparison of two or more objects by use of identical methodological approach has been implemented in the study of the two post-communist cities, Prešov and Olomouc, with the emphasis on migration tendencies in their suburban zones.

Suburban zone

The conception and interpretation of suburban zone varies in literature to a large degree. It is not only because of rather a subjective approach towards the problem, the presence of relativism and postmodern thinking, but also because of the fact that the suburban zone is itself a very complex, changeable and dynamic phenomenon. There exist several notions referring to the area of suburban zone: rural – urban fringe, fringe belt, suburb, suburban zone, urban periphery, urban hinterland. Generally, it is possible to identify several common features of suburban zone (SZ onwards). SZ encloses the compact city. From the morphological-functional point of view it is a heterogeneous area characterised by the interference of urban and rural land use forms. From the social point of view it is the area, where the rural way of life of autochthonous inhabitants is pervaded by the way of life of allochthonous, hence the citylike inhabitants, mostly with higher

social status. Administratively, SZ is generally formed by the areas which administratively are not part of the city. SZ is internally differentiated by the rate of urbanisation that decreases outwards from the city centre, and successively verges into urban shadow.

Suburbanisation

Suburbanisation is one of the main transformation processes that participate in the changes of the spatial organisation of towns, especially their suburban zones. It is the process operating in the industrial and post-industrial phase of urbanisation. Through this process the rate of urbanisation of the areas lying in the suburban zone, spatially separated from the compact town (the core of town agglomeration), is rising. The rise of urbanisation is mainly caused by the development of residential areas q.v. the result of immigration of inhabitants from the inner compact town motivated by the desire for higher quality of living and healthier environment, and is conditioned by the technological progress in transport. Residential suburbanisation is, on one hand, followed by the move of job openings and commercial activities from the centre and inner city into its suburban zone, and on the other hand, it is accompanied by the rise of new activities and their permanencies, i.e. commercial suburbanisation, what can in its advanced phase lead into existence of rival marginal towns competing with the original agglomeration. Eventually, the suburbanisation process may end in the change from a mono-centric urban structure into a polycentric one (R. Matlovič, A. Sedláková, 2004).

Migration tendencies in suburban zone of Prešov and Olomouc

Mäding infers that migration from the core city to outlying areas can be regarded as the quantitatively most significant lasting internal migration phenomenon in post-communist cities. The "motive forces" (pull factors to the urban periphery, push factors out of the central city) are—unlike the economic factors of extensive migration—mainly residence related. The process of residential suburbanisation is characterised by centrifugal migration from the core to the periphery. The growth of the region was a consequence of growth of the city. The city "overflowed" like a basin of water (H. Mäding, 2002). Migrations from central town to suburban zones realized by households with higher social status, is generally a typical feature of suburbanisation. The town is distinguished by the fall of migration increase, gradually changing into migration decrease of its population. On the contrary, the hinterland of a town and the surrounding villages notice the inflow of citylike immigrants who participate in residential suburbanisation in that area. However, the intensity of migration within the suburban zone is distributed unequally. There is a qualitative and quantitative selection, namely the number of immigrants, their education, origin, and the target area they have selected. Mi-

gration tendencies have been accordingly observed in the areas of Prešov and Olomouc. We presume that there are some similar features in migration patterns of the cities, since they have several common attributes, e.g. both cities are the post-communist one, both of them are capitals of regions and districts, they are situated in the eastern part of the country, rather far away from the capital city, their number of population is almost similar as well (Prešov: 91 767, Olomouc 100 752 in 2004). The intra-urban structures of Czech and Slovak cities undergo an intense transformation since the 1990s. However, we also presume that the intensity of migration process concerned with suburbanisation has been more significant in Olomouc and the suburbanisation is also more developed in that city.

The reason for that argument stems from the experience in other spheres of life in both countries such as social, economic, as well as political condition.

The graph of migration balance in Prešov and Olomouc in 1991–2004 indicates that both cities manifest almost similar migration development tendencies (Figure 1). A characteristic feature of both cities is the year 1996 when Prešov and Olomouc noticed the negative number in migration balance. Since that time the migration decrease in both cities has been deepening. In case of Olomouc the migration decrease has been more rapid than in Prešov, but in last two years the city of Prešov has been showing more significant descent. Since 1996 both suburban zones of cities started to become migration profitable at the expense of their central city (Figure 2). The most significant relative increase of migration balance have noticed the suburban communities situated in immediate neighbourhood of the cities. This trend correlates with the index of housing development in those areas. The reason for migration towards the suburban zone is first of all the better

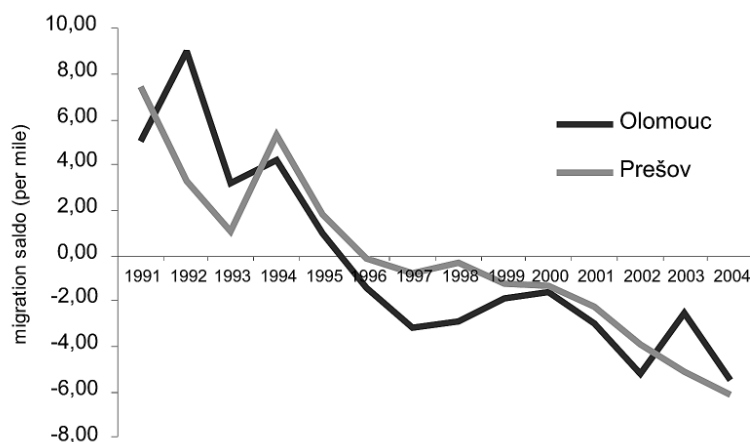


Figure 1. Development of migration balance in Prešov and Olomouc in 1991–2004

Source: Statistical Office of SR, Statistical Office of CR.

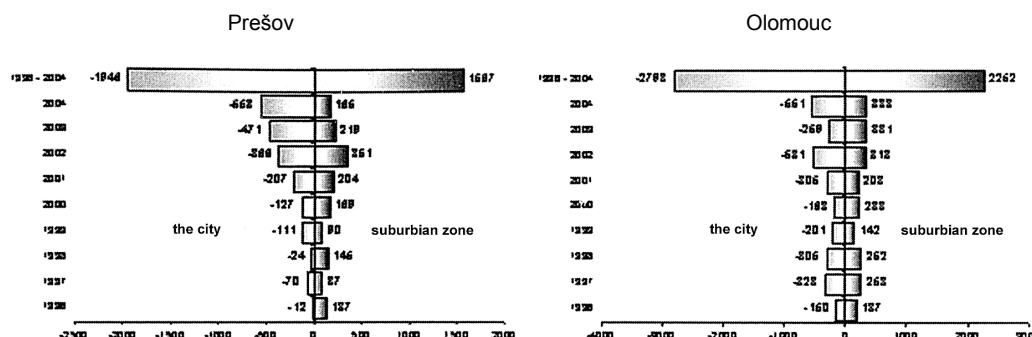


Figure 2. Migration balance of inhabitants in selected cities and their suburban zones in 1996–2004

Source: ŠÚ SR, ČSÚ ČR.

quality of dwelling environment. Another reasons include the demand for dwelling in private property which is possible to realize in suburban zone. Some subjective stimuli consequently take significance such as perception of good address (of good repute), the effort to manifest the pertaining to certain social stratum.

Having analysed the migration balance within the regions and districts of both cities in 1996–2004, we have determined the areas of suburban zones and speci-

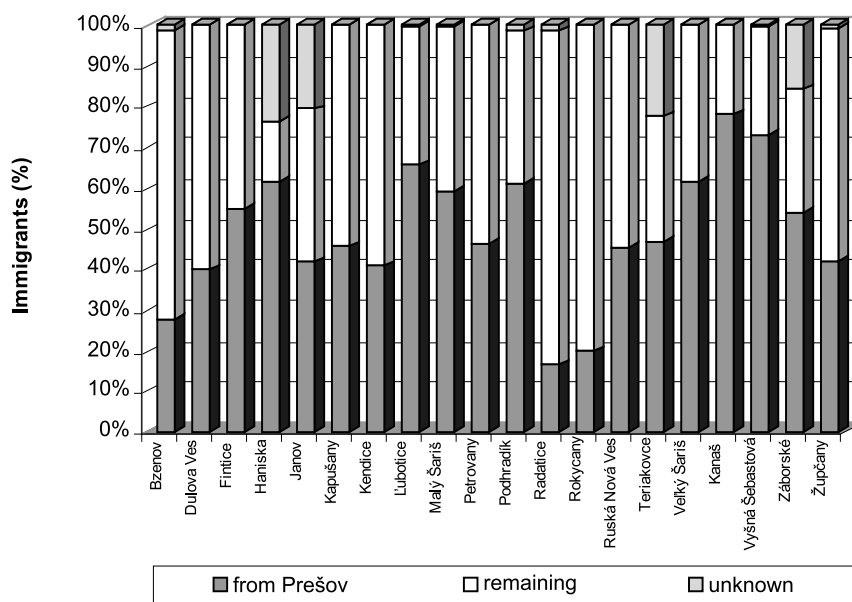


Figure 3. The origin of immigrants coming into selected communities of Prešov hinterland (1991–2002)

Source: Own field research in communities.

Table 1. Migration balance in suburban communities of Prešov and Olomouc in 1996–2004

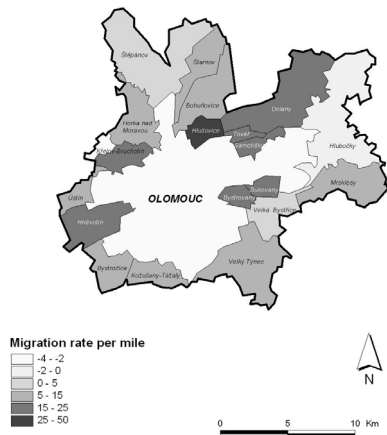
Migration balance 1996–2004 (‰)			
suburban zone of Olomouc		suburban zone of Prešov	
Bohuňovice	8.71	-0.43	Bzenov
Bukovany	15.34	8.41	Dulová Ves
Bystročice	10.40	6.32	Fintice
Bystrovany	19.67	7.09	Haniska
Dolany	21.24	-0.04	Janovce
Hlubočky	-1.92	4.93	Kapušany
Hlušovice	46.67	5.95	Kendice
Hněvotín	16.69	14.76	Ľubotice
Horka nad Moravou	8.46	0.00	Malý Šariš
Ko ušany-Tá aly	6.20	10.97	Petrovany
Křelov-Břuchotín	17.93	8.66	Podhradík
Mrskles y	14.72	-4.49	Radatice
Samotišky	20.80	3.21	Rokycany
Šternov	5.18	5.36	Ruská Nová Ves
Štěpánov	2.71	-0.88	Teriakovce
Tověř	24.41	2.48	Veľký Šariš
Ústín	9.74	8.91	Vyšná Šebastová
Velká Bystřice	4.05	20.39	Záborské
Velký Týnec	8.60	8.05	Župčany
Olomouc	-3.04	-2.34	Prešov

Source: ŠÚ SR, ČSÚ ČR.

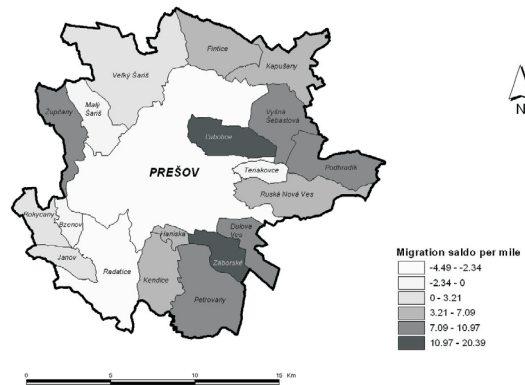
fied the communities with the highest potential for suburbanisation (Figure 4; for the lack of space not all maps are included). Recent analysis has shown (Table 1, Figure 4) that the suburban zone of Prešov, as well as Olomouc, is spatially differentiated in terms of migration increase of population. Communities that noticed the highest average annual migration increase in Prešov suburban zone include Záborské (20.39‰), Ľubotice (14.76‰), Petrovany (10.97‰), Vyšná Šebastová (8.91‰), and Župčany (8.05‰). Rather high migration increase was also identified in Dulová Ves, Haniska, Fintice, Kapušany, Kendice, and Ruská Nová Ves. Other villages noticed either the less significant migration increase or even migration decrease. In the suburban zone of Olomouc there was the highest migration increase in Hlušovice (46.67‰), Tověř (24.41‰), Dolany (21.24‰), Samotišky (20.80‰), Bystrovany (19.67‰) and others (Table 1). Unlike the suburban zone of Prešov, the communities in the Olomouc suburban zone show almost all positive values of migration balance. It is possible to find the process of suburbanisation more developed in that area.

An important factor, when identifying suburbanisation, and evaluating the selective migration and suburbanisation impact in the hinterland, is the origin of immigrants moving towards the suburban zone. By the origin of immigrants we mean the place from which the immigrants moved (their former residence). We

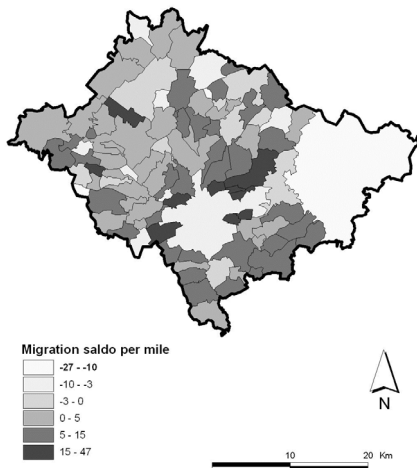
Migration rate in the suburban zone
of Olomouc in 1996 - 2004



Migration rate in the suburban zone
of Prešov in 1996 - 2004



Migration rate in the Olomouc District
in 1996 - 2004



Migration rate in the Prešov District
in 1996 - 2004

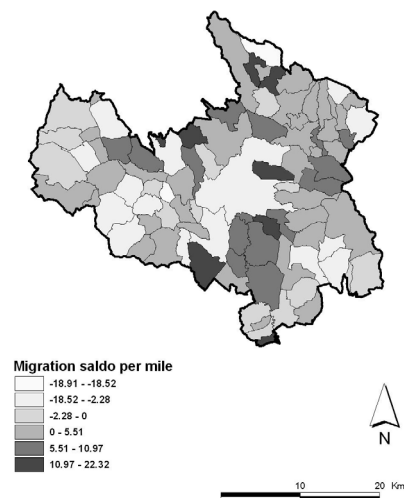


Figure 4. Migration rates in Prešov and Olomouc and its suburban zones in 1996–2004

Author: Alena Sedláková, data source: ŠÚ SR, ČSÚ ČR.

have analysed this problem in the suburban zone of Prešov. An important and peculiar feature to suburbanisation is in that case rather high percentage of immigrants coming from the town of Prešov. The greatest share of immigrants from Prešov (over 70 %) shows the community of **Kanaš** and the village of **Vyšná**

Šebastová. The other villages with high share of immigrants of Prešov origin (60% – 70%) include **Ľubotice, Veľký Šariš, Podhradík, and Haniska**. The immigrants of Prešov origin predominate also in the village of **Záborské, Malý Šariš, and Fintice** (50% – 60%). Immigrant coming from other, mostly neighbouring communities and towns dominate in the rest of our observed areas.

Summary

In our contribution we tried to compare the migration processes within the two suburban zones of post-communist cities, Prešov and Olomouc. The comparative analyses has proved our hypothesis that in both cities there could be identified the processes of suburbanisation, however, they are of greater significance in the hinterland of Olomouc. The reason for that lies generally in the Czech and Slovak socio-economic and political situation.

Both towns are distinguished by the fall of migration increase, gradually changing into migration decrease of their population. On the contrary, the hinterlands of towns and the surrounding villages notice the inflow of citylike immigrants who participate in residential suburbanisation in that areas. The intensity of migration within the suburban zone is distributed unequally. There is a qualitative and quantitative selection, namely the number of immigrants, their education, origin, and the target area they have selected. Our further research is therefore aimed at some specific features of suburbanisation participants in the observed areas.

* * *

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Daniel Michniak

The Influence of Transformation Changes After 1989 on Commuting in Slovakia

Introduction

Big transformation changes, connected with transition from a centrally planned to a market economy, took place in Slovakia after 1989. Slovakia, as one of the post-socialist countries, began its economic, political and social transformation with a heavy burden of socialist heritage. Amongst the main problems were obsolete production structures and industries, poor productivity and economic management, over employment, low levels of technical infrastructure, and dependence on Central and East European and Soviet markets (I. McMaster, 2004).

Transition has typically been characterised by a collapse of output in state firms, which was only partially offset by an increase in private sector output. Much of the decrease in state firms' output can be explained as the result of change in the structure of relative prices and the elimination of subsidies. Besides this state firms lost crucial suppliers and in many cases had to stop production (O. Blanchard, 1996).

Economic reforms centred round the processes of liberalisation of prices, opening of markets, encouraging new private business and processes of privatisation and structural reform (transfer of state owned enterprises into private ownership and programmes of industrial restructuring) (I. McMaster, 2004; see S. Djankov, G. Pohl, 1999). In the first phase of the transition Slovak economy achieved macroeconomic stabilisation, but it also experienced a major decline in officially measured output and a slower but significant decline in employment (J. Svejnar, 1996). Foreign direct investments and accession to international organisations (e.g. WTO and EU) played a very important role in the process of the transition.

In the consequence of growing unemployment and other changes connected with the transition also the number of commuters decreased and the position of individual commuting centres changed. The aim of this paper is to identify the most important changes in commuting in Slovakia in the years 1991–2001, caused by the transformation process, to investigate some regional aspects of such changes and to evaluate the factors that caused them. This paper is focused on the evaluation of some changes in out-commuting at the national level of Slovakia, evaluation of the selected changes in out-commuting at the level of the individual

districts, and evaluation of changes in commuting to the centres with more than 500 in-commuters.

Data on commuting

The data on commuting were obtained from the March 1991 and May 2001 censuses while 1991 can be considered the initial stage of transformation, in which there was a large decline in industrial production (O. Blanchard, 1996) and the most recent data concerning commuting at the national level are from 2001.

According to the methodological guidelines to the census, commuter is a person who works outside his commune of permanent residence. The Statistical Office of the SR processed the data about commuting based on the data concerning the place (commune, district) of permanent residence of the commuter and the place (commune, district) of the job while the daily and other commuting were discerned. Daily commuting means an everyday travel to work. Persons temporarily living in the place of work (hostel or rented living place) also quoted daily commuting; that is commuting from their temporary living place to work. Other than daily commuting means irregular commuting (for example guarding service, free-lance position and the like). The commuting data have been processed for all communes and they are classified by out-commuting centres. Names are quoted only in case if more than 10 persons out-commute. It means that in some cases it is not possible to identify the commune of out-commuting.

Certain inaccuracy in comparison of the out-commuting data is caused by the changes in the territorial division of Slovakia in terms of communes. In time of the 1991 and 2001 censuses there were 2,825 and 2,883 communes respectively in Slovakia. In the time between censuses 16 communes disappeared including 15, which joined other 13 communes, and one disappeared by joining a couple of communes. On the other side, 74 new communes were formed by division or separation, which concerned 57 communes. The quoted changes concerned 145 communes, which existed in the 2001 census.

Changes in out-commuting at the national level

The most important and striking change in commuting between the years 1991–2001 was the *decrease of the number of out-commuters* by 201,441 persons from 997,925 to 796,484 (20.2%). Apart from the decreased number of out-commuters, the out-commuting rate also decreased. While as much as 38.1% of all economically active inhabitants commuted outside their communes in 1991, in 2001 they made up for only 29.0%.

Compared to 1991, the share of economically active inhabitants working in the commune of their permanent residence also dropped by 6.2% to 45.6%. The increase of unemployment caused by transformation of economics is more obvious in the share of out-commuters than in the share of economically active inhabit-

ants working in the commune of their permanent residence as testified to by the values of Pearson's correlation coefficient in the set of 72 districts (-0.61 and -0.51).

If out-commuting is expressed by the share of the out-commuters in the total number of employed persons, it dropped by 3.6% from 42.4% employed in 1991 to 38.8% in 2001.

In comparison to 1991, *the share of persons commuting abroad* almost doubled from 3.5% (35,166 out-commuters) to 6.0% (47,542 out-commuters), while in 1991 the out-commuters to the Czech republic amounted to 3.0% (29,957 out-commuters) and out-commuters to other countries constituted only 0.5% (5,209 out-commuters). The 2001 data do not quote the target country of commuters. We suppose that commuting to the Czech Republic also dominated in 2001. Compared to 1991, out-commuting to other countries prevailed probably because of higher wages in the countries of the EU, USA and other advanced countries. The higher share of commuters to foreign countries is also the consequence of better travelling possibilities and the improving foreign language skills of Slovaks.

In terms of *the share of men and women in the total number of out-commuters*, there were almost no changes at the all-Slovakian level (approximately 60% men and 40% women).

Observing *the age structure of out-commuters*, it is obvious that the largest change concerns the out-commuters at the age of 15 to 24 years. The share of out-commuters in this category decreased from 24.1% to 14.2%. It is caused by the extension of the obligatory school attendance years from nine to ten, by increase of number of university students and the ageing of Slovakia's population. On the other side, the share of out-commuters at the age of 45 to 59 years increased from 20.9% to 27.3%, as also caused by the larger share of this age category in total population.

As far as *the structure of out-commuters by the individual sectors of the national economy* is concerned, the share of commuters, which decreased most, was the one of agricultural workers (by 8.1% from 13.7% to 5.5%). Restructuring of the agricultural sector caused it – many agricultural firms were closed, over-employment decreased, and also because some associated productions were separated from the agricultural firms).

A similar decrease of out-commuting was observed in that to industrial companies where the corresponding share decreased by 7.6% from 38.6% to 30.9%. One of the causes of this decrease is the fact that in transformation period many, formerly parts of industrial companies covering the catering, recreational services or departments of foreign trade, separated from their companies and often transformed into new businesses where the workers reclassified into the sector of services in contrast to their appurtenance to the industrial branches in 1991.

The decrease of the number of out-commuters in construction was also important (by 5.0% from 12.9% to 7.9%). In spite of the fact that the number of eco-

nomically active inhabitants in transport and communications decreased by more than 21 thousand, their share in out-commuting remained at an approximately the same level (it increased by 0.2% to 8.0%). The accessible data make it possible to compare the representation of out-commuting in trade where the increase of out-commuting was observed by 4.0% from 8.5% to 12.5%.

As the remaining data categories in the framework of the structure of out-commuters in terms of branches were different in the 1991 and 2001 censuses, the comparison is impossible. But it is supposed that the share of out-commuters working in services increased. A certain distortion of the results of out-commuting is also caused by the fact that there is as much as 16.4% of commuters under the category of "other and not specified" in 2001.

The immediate cause of the decrease of the number of out-commuting persons lies in changes of economic activity of population evoked by transformation in the individual sectors of the national economy. Compared to 1991 when there were 2,617,935 economically active persons in Slovakia, this number increased by 130,115 to 2,748,050 in 2001. This increase also manifested in the share of economically active inhabitants in the total population (increase by 1.4% to 51.1%).

In spite of the increased number of economically active persons, the number of working persons in Slovakia dropped by 310,874 from 2,313,631 in 1991 to 2,002,757 or by 13.4%. The result of decrease of working persons number and the increase of economically active persons was the increased number of unemployed. Whereas in 1991 there were only 107,416 unemployed (4.1% economically active persons), their number increased as much as to 561,214 (20.4% economically active persons) in 2001.

Changes in out-commuting at the regional level

In the period between censuses, the territorial-administrative division changed and the number of districts increased from 38 to 79, while Bratislava and Košice were divided into 5 and 4 districts respectively. As it is not appropriate to divide these cities into smaller units for the study of commuting, out-commuting was assessed at the level of 72 districts.

The decrease of the number of out-commuters in the period 1991–2001 (Figure 1) was observed in all districts with the exception of Bratislava where it increased by 5.2%. Presumably, this change is connected above all with the increase of out-commuting abroad and it is also due to reverse commuting, a new phenomenon in Slovakia, when population of large cities out-commutes to their hinterlands. A comparatively low decrease of out-commuters (below 10%) was found in hinterland of Bratislava (districts of Malacky, Pezinok, Trnava, Piešťany, Myjava) and in two central Slovakian districts (Žiar nad Hronom, Zvolen). Districts in western part of Slovakia are remarkable for below-average decrease of out-commuters. On the contrary, a decrease of at least 30% of commuters was found in districts of Medzilaborce (by 42.1%), Veľký Krtíš, Snina, Sabinov, Rimavská Sobota,

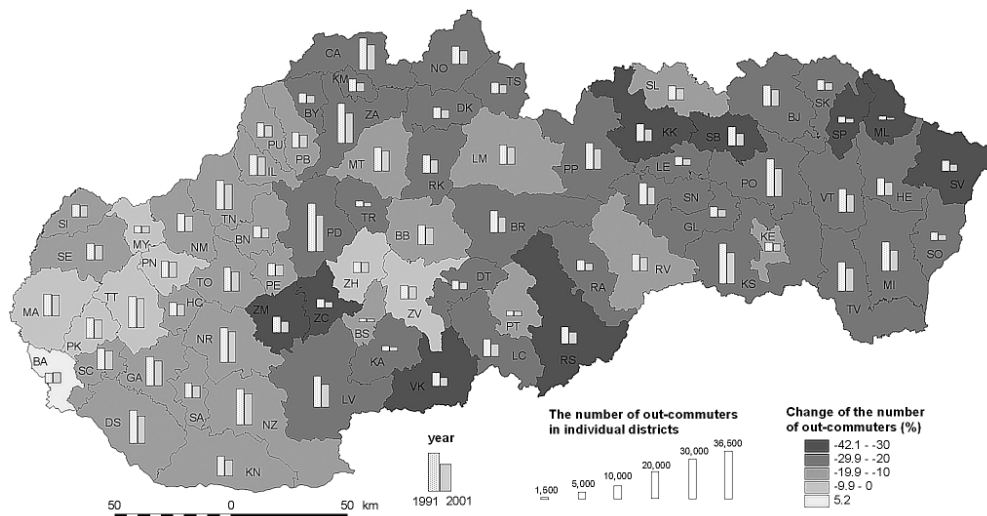


Figure 1. Changes in total out-commuting at the regional level in the years 1991–2001

Source: Author's map based on data from Statistical Office of the Slovak Republic.

Žarnovica, Zlaté Moravce, Stropkov a Kežmarok (by 30.0%) with the common feature of high unemployment and in some of them (Medzilaborce, Veľký Krtíš, Zlaté Moravce) also the decrease of economically active persons.

Likewise, out-commuting rate also decreased from 38.1% in 1991 to 29.0% in 2001. The highest decrease of the out-commuting rate was found in eastern Slovakia where it reached more than 20% in five districts (Sabinov, Košice – okolie, Sobrance, Kežmarok, Gelnica). On the other side small decrease (below 5%) was observed in districts of Liptovský Mikuláš, Banská Bystrica, Zvolen, Žiar nad Hronom, Trnava, Piešťany, Myjava a Košice, and in Bratislava only a slight rise (by 0.1%) of out-commuting was observed.

Considering the individual branches of economy, the decrease of number of out-commuters was most striking in agriculture, industry and construction, i.e. those most affected by transition. The decrease of out-commuters in agriculture was observed in whole Slovakia and the least afflicted were the districts with the highest share of workers in forest management. Likewise, the decrease of number of out-commuters in industry manifested in the whole territory of Slovakia with the exception of Bratislava. In construction, the decrease of out-commuters was recorded in the major part of the Slovak territory (above all in its southern part), but there also exist districts with an increasing importance of out-commuting in construction (districts of Námestovo, Stropkov, Svidník, Tvrdošín, and Stará Ľubovňa with out-commuting to large cities and abroad in some districts of northern and eastern Slovakia).

Changes in commuting to centres with at least 500 commuters

Transition of economy also led to transformation of various industrial firms, which were once the most frequent destinations of commuters. In the consequence, the total employment decreased and some firms were reduced or disappeared which was logically accompanied by changes in commuting as observable in changes of mutual position of the individual commuting centres. As jobs are much more spatially concentrated than economically active inhabitants, the centres with at least 500 commuters will be given attention.

However, many important commuting centres were affected by territorial changes in the period between the censuses – some communes were separated. In order to compare the commuting data for the individual centres, the 2001 data for centres with more than 500 commuters were adjusted to the territorial situation in 1991.

Changes in commuting to the largest commuting centres are listed in Table 1 and changes in commuting to centres with at least 500 commuters are depicted on Figure 2.

While in 1991 there were as much as 197 centres with at least 500 commuters, their number decreased to 173 in 2001. In 35 centres the number of commuters dropped below 500 and on the contrary, the number of commuters exceeded the limit of 500 in 11 centres.

Compared to 1991, the number of *largest commuting centres* (with at least 10 thous. commuters) dropped from 14 to eight – now all seats of regional administration – Bratislava, Trnava, Nitra, Trenčín, Žilina, Banská Bystrica, Prešov and Košice.

The largest commuting centre in Slovakia is Bratislava, while its position in commuting has strengthened. While in 1991 there were 74,895 commuters, in 2001 it was as much as 89,424 economically active commuters to Bratislava, what represents 11.9% of all commuters in Slovakia. Compared to 1991, this was an important increase of commuters by about 14.5 thousand inhabitants (19.4%), above all in contrast with the national decrease of commuters. This increase was caused by the fact that Bratislava became the capital of the new state in 1993; its economic power capable to generate more work opportunities increased and attracted more commuters. On the one side, the number of commuters to work in agriculture, construction and partially also industry decreased and on the other, new jobs emerged above all due to the development of commerce and services of financial sector, information technology, etc. Bratislava became an attractive centre of commuters for inhabitants of the whole country, above all the young people below 34 years (D. Michniak, 2003).

Position of *Košice*, the second largest commuting centre in Slovakia with 30,486 commuters did not change either in 2001. But compared to 1991, the number of commuters decreased by 4,563, as caused by decrease of commuters in construction (decrease by 4.1 thous. commuters) and in industry (decrease by 2.9 thous. commuters above all in metallurgical and engineering industries).

Table 1. Changes in commuting to the largest commuting centres between 1991 and 2001

	Commuting centre	A	B	C		Commuting centre	A	B	C
1.	Bratislava	74 895	89 424	19.4	16.	Nováky	9 913	5 555	-44.0
2.	Košice	35 049	30 486	-13.0	17.	Topoľčany	9 512	7 156	-24.8
3.	Žilina	26 917	22 938	-14.8	18.	Piešťany	9 250	7 491	-19.0
4.	Prešov	23 739	16 241	-31.6	19.	Levice	9 174	5 600	-39.0
5.	Nitra	16 952	17 360	2.4	20.	Liptovský Mikuláš	9 080	7 136	-21.4
6.	Trnava	14 719	13 370	-9.2	21.	Spišská Nová Ves	8 988	7 034	-21.7
7.	Trenčín	14 623	14 402	-1.5	22.	Považská Bystrica	8 942	5 429	-39.3
8.	Zvolen	12 688	9 090	-28.4	23.	Bardejov	8 592	5 350	-37.7
9.	Banská Bystrica	12 091	11 916	-1.4	24.	Ružomberok	8 484	6 022	-29.0
10.	Nové Zámky	11 845	7 460	-37.0	25.	Prievidza	8 431	9 005	6.8
11.	Martin	11 575	8 942	-22.7	26.	Vranov nad Topľou	8 285	5 398	-34.8
12.	Michalovce	11 478	8 627	-24.8	27.	Lučenec	7 950	6 147	-22.7
13.	Dubnica nad Váhom	10 750	5 309	-50.6	28.	Galanta	7 900	4 480	-43.3
14.	Humenné	10 074	6 640	-34.1	29.	Svit	7 378	4 004	-45.7
15.	Poprad	9 985	8 357	-16.3	30.	Komárno	7 263	5 374	-26.0

Note: A – the number of commuters in 1991; B – the number of commuters in 2001;
C – change in commuting between 1991 and 2001 expressed in percentage.

Source: Author's table based on data from Statistical Office of the Slovak Republic.

An important decrease of number of commuters was also observed in the *third largest commuting centre* – *Žilina*, where the number of commuters decreased by 3,979 commuters. According to the individual branches of economy, the decrease of commuting manifested above all in industry (decrease by 4.1 thous. commuters), while the chemical, engineering and paper and pulp industries were the most affected ones.

Compared to 1991, the *largest decrease in number of commuters was recorded in Prešov* (decrease by 7,498 commuters). The cause of this decrease is first of all the decrease of number of employees in industrial firms (engineering, electrical and clothing industries). While in 1990 total of 17,771 employees worked in industrial branches, in 1999 it was 12,040 employees which means that employment in industry decreased by almost a third (by 5,731 jobs) (D. Popjaková 2001).

Apart from actual regional centres more than 10 000 persons commuted in 1991 to towns Zvolen, Nové Zámky, Martin, Michalovce, Dubnica nad Váhom, Humenné. These industrial centres boast a comparatively diversified structure of industry, while Dubnica nad Váhom and Martin were afflicted by transformation of engineering industry (mainly defence industry – see Y. Kiss, 1999), Nové Zámky was struck by transformation of electrical engineering and food-processing industries, Zvolen by transformation of engineering and wood-processing industry, Humenné by transformation of chemical industry and Michalovce by transformation of engineering and food-processing industry.

An interesting indicator expressing the decrease of commuting to the individual centres is *the decrease of the number of commuters to the given centre expressed in percentage*. As much as in 33 centres to which more than 500 commuters commuted in 1991, the number of commuters decreased by more than a half. The largest of these centres were in 1991 Dubnica nad Váhom (decrease by 50.6%), Nižná (by 74.7% to 1,254 commuters), Stropkov (by 54.8% to 1,467 commuters), and the town Strážske (by 50.6% to 2,131), struck by transformation of chemical industry. The commuting decrease (by at least 50%) in such centres is attributable to transformation of firms in different industrial branches, which had dominant position in the economy of these cities. In centres Cigeľ, Sebedražie, Koš, Modrý Kameň, Rudňany a Hodruša – Hámre the dumping of mining and quarrying, production of energy and other materials was the cause of decreased commuting. That in centres Dubnica nad Váhom, Pohorelá, Závadka nad Hronom and Spišská Stará Ves was caused by transformation in manufacture of machinery and equipment, centres Hronec, Oravský Podzámok, Slovinky and Báhoň were subjects to transformation of manufacture of basic metals and fabricated metal products, in centres Nižná, Stropkov a Oravská Lesná it was transformation of manufacture of electrical equipment, v Slavošovce it was transformation of the firm dedicated to manufacture of paper, in centres Turany, Pravenec it was transformation of wood products, in Podvysoká it was transformation of the firm dedicated to manufacture of leather and leather products, in Lipany and Spišská Stará Ves it was manufacture of textiles and textile products, in Veľký Šariš it was transformation of manufacture of food products, beverages and tobacco products). The main cause

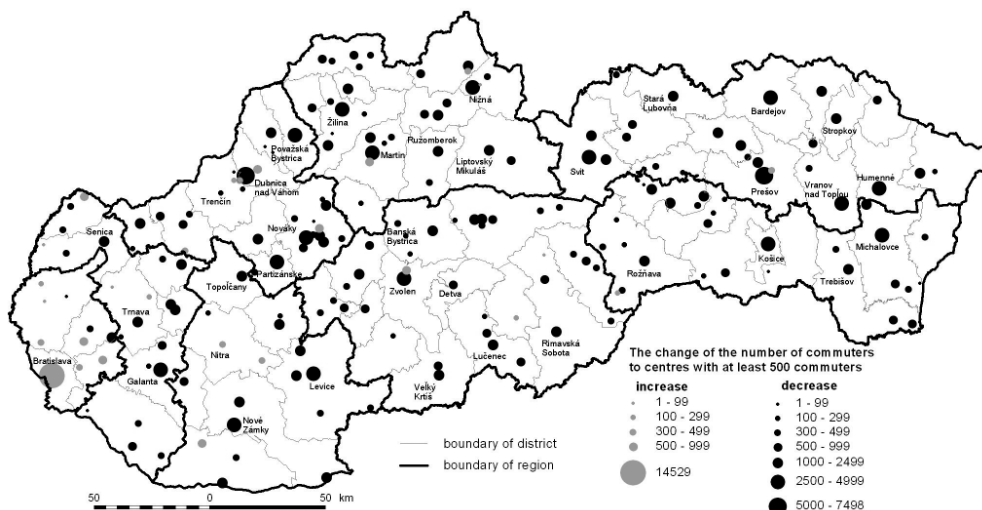


Figure 2. Changes in commuting to centres with at least 500 commuters

Source: Author's map based on data from Statistical Office of the Slovak Republic

of commuting decrease to centre Gabčíkovo was the conclusion of the construction of the dam.

In spite of the general decrease of number of commuters to the majority of observed centres in Slovakia, there are *centres with increased number of commuters* in comparison to 1991. Apart from Bratislava, which was mentioned above, commuting in 21 studied centres increased by more than 250 commuters. This group covers the centres like Nitra, Prievidza (foreign investments into electrical engineering industry – Yazaki Debnár Slovakia, s.r.o.), Jaslovské Bohunice (nuclear power station), where the number of commuters increased only by 2.4–7.3%. These centres maintained their economic basis and the firms existing there are destinations of commuters.

The group of larger commuting centres where the number of commuters increased includes Vráble (by 342 to 2,570 commuters), Ilava (by 629 to 2,656 commuters), Senec (by 697 to 2,597 commuters), Pezinok (by 744 to 3,528 commuters), and Skalica (by 812 to 3,419 commuters). Increase of commuting in Vráble by 15.4% is mainly due to opening of the industrial park IGP Vráble and investments to firms Semecs s.r.o. and Hefra s.r.o. One of important investors in Skalica is INA Skalica, s.r.o., producer of bearings. Increased number of commuters in towns Senec a Pezinok is due to their location near Bratislava, which led to creation of new work opportunities.

Vicinity of Bratislava also influenced commuting to smaller centres in its immediate hinterland, i.e. Stupava (increase by 343 to 1,059 commuters) and Ivanka pri Dunaji (increase by 396 to 1,070 commuters). Among the centres where the number of commuters increased above 1,000 are also two neighbouring communes of Trenčianska Teplá (increase by 288 to 1,279 commuters) and Nová Dubnica (increase by 498 to 1,370 commuters) with important investment in electrical engineering industry (the firm Leoni Slovakia, s.r.o. in Trenčianska Teplá producing car cables and the firm Q Nova, s.r.o. in Nová Dubnica) and the town of Sliač (increase by 515 to 1,166 commuters). The town of Poltár also drew close to the limit of 1,000 commuters (increase by 269 to 969 commuters).

New centres with more than 500 commuters also appear in the group of commuting centres with less than 500 commuters in 1991. They include the centres Veľké Leváre and Ľubotice, where more than 400 employees commuted in 1991 and their number slightly increased. In Ľubotice (increase by 462 to 864 commuters) there are various industrial firms in the immediate vicinity of Prešov. This group include also centres with important investments in industry. In Gemerská Hôrka (increase by 288 to 530 commuters) new jobs originated in the firm dedicated to hygiene products (SCA Hygiene Products, s.r.o.), more of them were created in Horná Streda (increase by 373 to 532 commuters) in electrical engineering industry (Vacuumschmelze s.r.o.), in Vavrečka (increase by 479 to 502 commuters) in electrical engineering industry (Punch Campus Námestovo s.r.o.), in Košťany nad Turcom (increase by 777 to 881 commuters) car industry – produc-

tion of car seats and casings (Trim Leader, a.s.) in machinery (Hansa – Flex Hydraulik), and in Kolárovo (increase by 855 to 1,222 commuters) in electrical engineering industry (Kromberg a Shubert, s.r.o.).

Four of new commuting centres with more than 500 commuters in 2001 are centres created by separation from some towns – they are Hencovce (separated from Vranov nad Topľou) s 2,234 commuters, Tovarníky (separated from Topoľčian) with 781 commuters and Lužianky (separated from Nitra) s 777 commuters, and Ivanka pri Nitre (separated from Nitra) with 616 commuters. These communes were considered parts of towns from which they were actually separated for the purpose of comparison of commuting data for the years 1991 and 2001.

Conclusion

Transformation changes in Slovakia after 1989 influenced the character of commuting. The most important change in commuting which took place in the years 1991–2001 was the decrease of the absolute number of commuters by more than 200 thous. This decrease was recorded in all regions in Slovakia with the exception of Bratislava (the highest decrease was identified in eastern Slovakia).

Observing commuting to centres with more than 500 commuters, one of the most important changes resulted in the strengthened position of Bratislava as the largest commuting centre in Slovakia. Approximately the same number of commuters was maintained in some largest centres such as Nitra, Trenčín and Banská Bystrica in the study period. On the contrary, in 1991 more than 30 % decrease of commuters (more than 7 thous. commuters) was identified in centres Prešov, Zvolen, Nové Zámky, Dubnica nad Váhom, Humenné, Nováky, Levice, Považská Bystrica, Bardejov, Vranov nad Topľou, Galanta and Svit.

The key factor influencing the position of commuting centres was their ability to face up to transformation of economy. The foreign investments played a very important role in its successful realisation. It is possible to suppose that the position of commuting centres with foreign direct investments and centres with industrial parks will be strengthened. Examples of centres demonstrating the above said, are centres with growing number of commuters as Bratislava, important centres are Vrábľe, Ilava, and Skalica, and the smaller of them include Trenčianska Teplá and Nová Dubnica. Increase of number of commuters to centres like Senec, Pezinok, Stupava, and Ivanka pri Dunaji was caused by their position in the immediate vicinity of Bratislava. Among examples of formation of new commuting centres with at least 500 commuters as fostered by arrival of foreign investors are Gemerská Hôrka, Horná Streda, Košľany nad Turcom, and Vavrečka.

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Alexander Kuchabsky

The Social and Political Situation in the Lviv Oblast: Problems and Perspectives

Lviv oblast is situated in the western part of Ukraine. The geographical situation of oblast that borders with Poland will influence the process of Ukraine integration into European economic organizations, especially in organizing of economic and political cooperation between Ukraine and Poland.

The particular features of social and political orientations of the region population are:

1. **Conservatism** (from the predomination of some stereotypes of thinking in Lviv and the cities of this oblast to the rejection of alternative social and political points of view in rural areas). Just owing to this features, the results of the political election are, to some extent, predictable and a great deal of the electorate displays the unanimity (98% of voices supporting Ukraine independence during the referendum of 1991, 94% of voices in favor of L. Kravchuk on presidential election of 1994, 92% of voices in favor of L. Kuchma in the second part of the presidential election of 1999, 64% of voices in favor of "*Nasha Ukraina*" ("Our Ukraine") bloc on Verkhovna Rada election in 2002, etc).
2. **Reserve** (a great deal of population has distrust to some state institutions. It was caused by the long period of region colonial status and by constant interfering with its interests before 1991 and afterwards. The high level of political consciousness reserve of oblast citizens can be explained first, by the territorial separatedness of of Galychyna from the main territory of Ukraine for a long time, second, by the peculiarities of religious and interconfessional situation (the high level of religiousness and Greek-Catholicism domination), third, by the low level of migration contacts with other regions of Ukraine (it slows down the relationships and interferes the mutual understanding of cultures).
3. **Passivity** (as the consequence of unsuccessful experience of state institutions formation during the First and the Second World War, as a result of unrealized attempts of influence on the policy of the countries that included oblast territory in the past, and as a repressive activity against active local population in the process of the USSR entering). Excessive political activity that is registered in oblast centre and the discipline of the electorate during election is not the evidence of public activity. Besides, it has another ground. It's more likely that, on the one hand, this phenomenon is the display of psedoactivity of cer-

tain groups that are trying to act as representatives of region population interests, but on the other hand, it's the traditional behavior of local population. For the last one, the process of election is, first of all, a kind of its direct participation in state life.

On the whole, social and economic situation in oblast is still tense. For the years of Ukraine independence, the main features of social and political orientations of the region population haven't changed considerably. Besides, in some cases they were enlarged: it was marked the increase of contradictions between the centre and oblast, concerning the problem of understanding of tasks and the strategy of Ukraine development as a state and Lviv oblast development as a main region of Western Ukraine; some organizations are cultivated the image of the region as a source of political and interreligious tenseness, the disproportions in oblast economic and social development in comparison with other oblasts of Eastern Ukraine are deepened. Lately, it's appeared a new tendency of rejection of central authorities' policy by the region population. They were accused of inconsistency in national interests asserting, lack of essential results in crime, corruption and shadow business prevention.

As a result, Lviv region and Western Ukraine as well, might be turned into depressive region with definite anti government political orientations. It's obvious that such trend will be followed by the rise of the separatist and extremist movements that will slow down social and economic development. In order to prevent such phenomena, it's very necessary to work out a complex strategy of optimization of oblast social and political situation that will take into consideration not only the historical and political realities of the region, but will be based on its social and economic peculiarities.

The main principle of this strategy must be the understanding of a special role of Lviv oblast in the process of Ukraine integration into European economic organizations. The successful implementation of this strategy in Lviv oblast might become the grounds of its expansion in all oblasts of Western Ukraine.

Political and party life of oblast is also of great interest. Just from the beginning of the process of Ukraine independence renewal in 1991 till the election campaign of 2002, the main characteristic feature of Lviv region political life was political parties' multiplication (quantity increase and splitting up). It has led to the considerable reduction of political parties, and to the limitation of their power. It's also caused population distrust to some political organizations and to their leaders.

The election of 2002 gave impulse to political system formation. Today we have two powerful political forces that rival for power in a political sphere. The first is political organizations united around, oppositional bloc "Nashua Ukraine" ("Our Ukraine"), the second - united around political parties with progovernment orientation ("Social and Democratic Party of Ukraine (united)" - (SDPU(u)), "The Regions of Ukraine" etc.)

At the same time, the activity of a major part of political parties and public organizations of oblast are based on authorities' criticism. It's explained by the unreadiness of certain political and party organizations as to their participation in solving of difficult problems of the region (namely, in lobbying its interests on a national level). It predetermines the focus of region political forces on so called "protest electorate". The national deputy election in 2002 was marked by aggravation of social and political situation of the oblast.

The main factor of social and political processes is an interconfessional and international situation. The interconfessional situation in Lviv region is traditionally marked by particular tension. The main reason of this phenomenon is a considerable concentration of religious organizations and particular interconfessional structure in Ukraine (Ukrainian Greek-Catholic Church (UGCC) domination). The tension in interconfessional relations was considerably eased owing to the purposeful activity of authorities.

The main minorities which traditionally influence social and political situation in the region are the Russians and the Poles. The problem of polish and Jewish cemeteries maintaining has also a great influence on a political and social situation. Some right-wing forces are not interested in this problem solving, because it's a good source of political capital formation.

Lviv region took an active part in the history of liberation wars of Ukrainian people for its independence. A great part of region population was subjected to repression by ruling system till 1991. So, at present time Lviv region is inhabited by citizens (about 270,000 people with their families) who have undergone some persecutions in the past and demand special compensations for their moral and material losses. Besides, in XX century, Lviv region was a scene of mass deportations of the population. Today it's inhabited by a great deal of present Poland natives (from Pidljashja, Nadsjannja, Lubachiv region, etc.). The interests of these citizens are asserted by the Union of deported Ukrainian communities that has a particular political influence on the region. There is also a problem with immigrants from the territory of Yavoriv military fire base. If the local government doesn't pay proper attention to these problems, they will be used by some interested parties in order to aggravate the political situation in the region.

Social and political situation often depends on economic situation and the level of social relations development. Lviv region has also to solve some serious problems in this sphere that are directly related to it's historical past. Contrary to the widespread stereotype, Lviv region has never been a region with a high level of development of social and economic sphere. Significant problems were laid in the economic structure of the region that was focused on machinery construction, mining and chemical industry. Lack of economic forces and financial basis, that are very necessary for social sphere development, was compensated by the great concentration of scientific and technical potential and high level of culture of Lviv population.

The reasons of unsatisfactory social and economic development of this region are directly related to its history: first of all, to the long period of colonial existence as a part of empires (Polish State, Austria, Poland, etc) and to its peripheral frontier geographical situation (over the last ten years this feature has considerably slowed down social and economic development).

In comparison with other regions of Eastern Europe, Galychina lagging can be noticed not only in economic sphere, but also in the sphere of agriculture. It was predetermined by considerable overpopulation of the region and by unfavorable geographical conditions (the worse soil, hilly and mountainous areas, constant natural calamities such as floods, etc.)

The attempts to rise the economy of the region was made in the process of it's the USSR entering. They were aimed at the disproportion elimination in economic and social development of western territories (that were included into the USSR after the Second World War). More over, the main goal was to create a powerful scientific and industrial centre in the western part of the country that will become a centre of cooperation between Ukraine and countries – satellites of Central and Eastern Europe.

Despite, a great number of measures, taken by the USSR, the issue of disproportion elimination wasn't solved till 1991. For example, the cost of main funds per capita in Lviv was a third lower than on average in Ukraine. The average level of population income was lagging behind the national indices by 10-20%. The situation beyond the oblast centre that concentrated a great deal of the whole social and economic potential of Western Ukraine was considerably worse.

After the renewal of Ukraine independence in 1991, the social and political situation of the region has undergone considerable deterioration. Besides, the disproportions in Lviv social and economic development, that had appeared earlier, were intensified lately. In comparison with other oblasts, Lviv region transition to market economy was very difficult and painful. The reason is an economic structure of the region that was formed under the USSR regime and focused on military- industrial complex.

Since 1999 oblast authorities have succeeded in slowing down the process of production decrease and in initiating the tendency of crisis phenomena overcoming in social and economic sphere. For the last three years, industrial production output has increased from 3.1 mln grn to 5.0 bn grn. The rate of increase, in comparison with last year, was - 1.2% in 1999, 11.9% in 2000, 42.3% in 2001, 13.5% in 2002. Industrial output increase of the region from January to October 2003 was 13% - it's close to the average national index.

But it's too early to talk about total overcoming of crisis phenomena in oblast economy. The main reason is that Lviv region has undergone considerable industrial production decrease after 1991. For example: in 1998 the industrial production output in Ukraine was 50% in comparison with 1990, but in Lviv region this index went down to 27%. Another problematic issue is dramatic increase of

production output that can be noticed nowadays and that was taken place on several giant enterprises. So, The Oil Refining Complex (ORC) "Galychina" gives a fifth part of the oblast total industrial output.

Despite the industrial output increase, the real income of the population (purchasing capacity) is constantly going down. A great part of population can't afford to pay for public utilities. Besides, the imperfect procedure of housing subsidies assignment (subjective approach, corruption and abuse of power) leads to the increase of public utilities debtors. All these factors have the negative influence on moral and psychology of the region population; cause the distrust to local authorities as to their capacity in problem solving.

In spite of the fact that the property relations' reform in the sphere of agriculture was formally completed, the issue of transition to the new approaches in agriculture management is still one of the most important in social and economic sphere of the region. This can be explained by attempting to solve the problem spontaneously, without any legislative and logistic support. The level of development of agricultural relations in Lviv region considerably differs from the one in Ukraine. That's why, it's necessary to work out a regional strategy of agrarian reform. As a result, the gross agriculture output in Lviv region is on average 480 grn. (with this index, Lviv region takes the 19th place in Ukraine).

Ecological situation of the oblast is also difficult. A great number of industrial operations of Lviv region are the sources of environmental worsening. According to the data of Ecology and Natural Resources Organization the most dangerous industrial operations in Lviv oblast are, first of all, Yavoriv "Sirka", ORC "Galychina" and New Rozdil "Sirka". The others are Dobrotvir TEPS, Sokal plant of chemical fibres, "Mykolaivtsement", "Boryslavnaftogas", holding "Ukrzakhidvugillja", a special industrial complex "Radon" and Stebnyk "Polimineral".

The most important ecological issue is allocation of funds, aimed at the measures concerning flood and other natural calamities prevention. Maybe it's necessary to recur to the idea of Stryj reservoir building. Besides, the problem of water supply in Lviv is still the most urgent one: the city population gets the water according to special schedule.

Stabilization of social and political processes in Lviv region has to provide, first of all, the realization of urgent measures concerning the problem of overcoming of social and economic crisis consequences and elimination of a great number of destructive economic factors. From our point of view, it's necessary:

- to enlarge the local government authorities in the process of working out the strategy of social, economic and political development of the region, in order to take into consideration all its peculiarities;
- to create a favorable investment climate that will stimulate the economic increase in oblast (maybe by means of New Special areas organization);
- to initiate significant changes in legislation concerning the increase of social status of the participants of nation-liberation movements and the victims of totalitarian regime.

Valeriu Sainsus

Geopolitical Considerations of the Orthodoxy and Its Aspects in the Republic of Moldova

The geographical map obviously reflects the historical evolution of the world states. But the world geopolitical scheme is different from the geopolitical map. Despite our existence in the period of the technical-scientific progress of the modernism and globalization, there is a set of factors that blocks, destabilize, or even impels the interstate relationships. During history a division in the field of Christian religion took place determined by objective and subjective reasons. From the geopolitical point of view clashes of opinions, as well as alliances, are clearly distinguished when solving apparent problems of international direction. It is difficult to trace the territorial border between the Catholicism and the Orthodoxy. The line, which divides territorially this space, may be traced from the Baltic Sea up to the Black sea, but there is not a clear identified territory when delimiting these two religions.

The states from this space comprise Catholic, as well as Orthodox believers. If we consider this criterion, then Poland is to be divided, but not the only one, as it is difficult to tackle this criterion for the Carpathians as well. This was the principle that motivated the space division of the Romanian territory. Russia, declaring itself the defender of all the people, monopolized in its hands the orthodox religion and the orthodox people. More than that, it tried to divide them territorially. Within this religion a division took place between the orthodox people of old and new faiths. Being a social phenomenon, this becomes a factor of many social, political and geopolitical processes. Religion plays a double role: on one hand it contributes to the formation of the national identity basis, stability growing, civic peace attainment, and on the other – it is capable to arouse dissension within people of the same country, thus, being a factor of destabilization.

Regarding the political and socio-economical evolution, it becomes obvious the fact that the transition to the market economy will leave its stamps. The EU and NATO block integration will determine the progress of the religious current reform. The new generations have pure, “pro European” aspirations. In spite of the many impediments to register the Metropolitan of Basarabia, the start towards a reform has been realized.

Even though we live in a country that is declared to have Latin roots, we are the only ones who comply with the old orthodox rituals. In this way Russia

realizes the geopolitical expansion through its doctrines. Determined by the fact that we do not want to modernize, we remain bound and spiritually dependent on East. Through this fact we are drawn in the eastern space. Being spiritually divided from the rest of the country, we are manipulated by Moscow. The language's Latinity frightens them even in the sphere of orthodoxy. Let us pay attention to the fact that the Cyrillic alphabet drew us nearer to Moscow and to the Slavic orthodox community. Thus, the aim was to alienate us from the West and to attach us definitely to the geographic space of the Eastern Europe.

The new faith Orthodoxy is regarded as a "westernizing" process, which explains Russia's unforeseeable attitude for this space. Today, through Orthodoxy in Moldova, the appeal to the communist past is done, which tends to keep by any means and even revive the Moldavian society's spirituality.

The geopolitical essence of the "orthodox" notion is related to the eastern Christian church. According to the Romanian Explanatory Dictionary, it is considered to be the gospel truth, which does not admit anything beside the officially established line. Religion is the set element of the population's character and spirituality. The Moldavian society is tightly anchored to the religion registered by our ancestors.

Nicole Iorga wrote: "The Romanian people were born on the step of the Church", meaning that the Romanian people's formation coincided in time with the float of the orthodox creed. The great Eminescu used to write, "The Orthodox Church is the mother of the Romanian people".

Nowadays in the Republic of Moldova religion represents a geopolitical structural factor of the population in the territory. In spite of all the attempts to victimize the Metropolitan of Basarabia, the geopolitical division is quite obvious through the demographic trend: the young generation is close to the Metropolitan of Basarabia and the old one is loyal to the Metropolitan of Moscow. Dosoftei's exclamation "the Light comes from the East" implies a geopolitical essence of the existent system as well.

Nowadays 8 denominations and 13 associations (religious societies) are registered on the territory of the Republic of Moldova with the population of just 4.2 mln people. In Romania, with its population of 22 mln people, there are 14 associations. The high number represents a consequence of a difficult geopolitical situation.

Centered on religion, Russia acquired and maintains its right of political expansionism in Balkans, Caucasus and the Near East. Often through religion the appeal for the national identity is made. This is one of the elements that are placed in the game for geospacial disintegration of the Romanian language, as well as of the Romanians, Bulgarians and Macedonians. Especially in Basarabia, where the difference from the Romanian and Moldavian language does not sound convincing, religion is appealed to. Russia is the country that owns on the territory of Moldova churches with the direct control coming the Russian Metropolitan (for example the church from Speia village).

At present more and more often we hear through mass-media the exclamation "the Metropolitan of the whole Moldova", which has an essence of an eloquent geopolitical pressure through the local authorities of the Republic of Moldova, but not without their implication as well. Nowadays, at the same time with the system's fall, Russia has lost its influence in Balkans, but it maintains itself through the influence of the spirit that is directly realized with the help the Metropolitan of Moldova.

The year 1054 has caused the Christian world's unity destruction. Communities of Christian people were represented geopolitically by dualism. Up till 1453, when the Turks occupied the Constantinople, this center represented two Christian worlds. Together with Constantinople's fall, a geopolitical modification in Orthodoxy has been produced. The West based its principles on rationalism, while the East was based on mysticism. As a result, Russia hurried to inherit the title of not only "all the people's defender", but that of "the most imposed power in Balkans" as well. The orthodox states that accepted the new faith were those of Latin origin. From Moscow's position they are treated as states that have betrayed the interests, as well as the orthodox positions, and do not share at all, or just partially its ideas. As a matter of fact, these states have not become opponents, but the relations with them are still outdistanced, reserved.

Mainly the Romanian space is the one that breaks Russia's connections with the Balkans. These changes are characteristic for Bulgaria as well, but the common origin of the language makes them much closer.

From this moment Orthodoxy found itself having three opponents:

- 1) the Christian – Catholic western world;
- 2) the non Christian (muslim) world;
- 3) the orthodox world of new faith.

The post Byzantine orthodox world found itself divided in a few Patriarchies:

- 1) the Alexandria Patriarchate of the orthodox people in Greece;
- 2) the Patriarchate of the Arabs in Egypt; the Antioch Patriarchate of the Arabs in Libya, Syria, Iraq;
- 3) the Constantinople Patriarchate of the Romanians, Bulgarians, Serbians and Greeks;
- 4) the Patriarchate in Jerusalem has appeared with a statute apart.

From this moment the thoroughgoing oneness of the orthodoxy has been undermined. Determined by this fact Russia has declared itself as being the country that covers the biggest orthodox territory after Constantinople's fall, which from the geopolitical point of view makes it the ancestor of the orthodox politics. The radical differences from the Latin world, the lack of political domination and of unchristian regimes were the distinctive elements of Orthodoxy. Through this fact there was developed an idea according to which the Russian people is "the God bearer" (bogonosets). More than that, in the XXth century through the events of the World War II Russia developed the idea of "people bearing victory" (narod

pobedonosets). According to the Russian historian V. Mavrodin "the Russian who joins the Greek orthodox Christian creed will expose himself to paganism, poison, defilement".

The Christian term, as well as the later term of "orthodox" is identified with the notion of Russian or Russian people (L. Marrodin, 1978, p. 143).

The geopolitical problem that always was on the agenda of the time is the relations with the orthodox world beside Russia's borders. These states found themselves in a dilemma not to comply with Moscow spiritual authorities and the negation of "orthodox empire" existence. Concomitantly, the Constantinople Patriarchate suffered a transformation from a spiritual-political unexpurgated doctrine to one of a religious character. Moscow qualified these changes in the new faith orthodox religion as being incomplete and as a direct collaboration with Rome. As a consequence a confrontation followed. The Orthodoxy served as basis for many actions of territorial conquest undertaken by Russia. The Church was not a rival, but the state's supporter in its matters of expansionism and protection of "all the Russians". This fact made Russia to be convinced that by its actions of expansionism it would fulfill a "divine mission", and this has kept the domination of the empire. Thus "a perfect cesaropapism" was born, where the Church and the State become synonyms, and the citizen considers himself as an "agent of Christian reunification".

It is quite hard to estimate the orthodox element value in the coloratura of the Russian geopolitical factor. The Orthodoxy and the Slav origin have been the set elements for the imperial Russia's geopolitical doctrine, which is known under the term "panslavism". The aim of this doctrine was to defend the values and the orthodox people, and to unite all the Slavs under "the double-headed eagle" of the third Rome as well. After the disintegration of the Soviet Union we indeed witnessed some fellowships based on this principle (Yugoslavia and Armenia).

Today the Russian Federation represents the country with the most numerous orthodox people in the world and the main force of eventual pan orthodoxy. Russia – and later the Soviet Union – constituted a model for the other communist regimes regarding the way of treating the religious problem. The relation between the Orthodox Russian Church and the Russian state was always very close. The victory of the bolshevism in Russia and the imposed atheist regime led to the repression and obedience of the religious life. But, respecting the old traditional line, the religious leadership was actively used when the regime's legitimating and its plans were necessary. In respect with this context, in 1927 the Patriarch Serghii declared that "the (communist) country's joys and grieves" are those of the Russian Church as well. The clergy, and especially its leaders, have become a component of the political regime's control apparatus. The chance offered for a while by the access to the archives after the Soviet Union's dissolution gives us the chance to learn new information about this phenomenon. Constantin Harciou, the president of the Religious Problems Council (1984–1989) confirmed

the fact that the Russian Church had been strictly controlled by the Central Committee of the Communist Party and by the KGB. The Patriarchate's department of Foreign Ecclesiastic Relations contained many KGB agents. The discovered materials in the KGB archives show at present that, four of the six permanent members of Moscow Patriarchate Saint Synod have been, at least up till present, KGB agents.

The whole subsequent evolution of the Russian Orthodox Church followed a typical course for the events' evolution in the former communist countries: replacement of the menial procommunist discourse by a radical nationalist one. Alexii II, one of the brejnevist ecclesiastic nomenclature Enlighteners (entitled patriarch in the mid 1990's – in may, 1990 the patriarch Pimen died), continued the "serghianstvo" philosophy (named in this way in honor of patriarch Serghii (d. 1944)). In December 1990 he signed the "Letter of the fifty three", through which Gorbaciov was suggested "to take immediate measures in order to counteract separatism, the anti-State subversive actions, the interethnic incitements and dissensions, for this reason making use of the law and power you have been invested with".

The disappearing of the Soviet Union has let the Orthodox Church to be one of the most consistent forces dedicated to the empire salvation. In the mid 1990's the patriarch Aleksii declared the following: "the Moscow Patriarchate recognized territory comprises not only Russia, but the Ukraine, Belarus, Moldova, the Baltic countries, Azerbaijan, Kazakhstan and Middle Asia as well".

Already in 1993 the patriarch Aleksii handed in to the president Eltsin an open ultimate – either he signs the recently adopted law through which the foreign missionaries activities are withdrawn, or "the Russian Orthodox Church will become an opponent – thus a member of the Red – Brown coalition". In fact, the Russian Orthodox Church integrated into this alliance as its principles are against the values promoted by the western democracies. The Orthodox Church pressure allowed, in spite of the president's Eltsin opposition, the adoption of a conservative law, through which the rights of the "unrecognized" religions are constrained. The numerical limits imposed and the proofs of 15 years of existence serve as a condition for the registration. At their turn, the Russians of the right wing were put in the situation to reform their view towards the Russian Orthodox Church as an institution that would play, potentially, an important role in supporting the soviet state's unity. The same position was adopted by the left wing as well. Mass-media transformed the alliances between the politicians and church into public events, in this way allowing them to have a greater political impact.

The evolution of the orthodox churches in the neighboring countries was influenced by the evolution of the self-conducting institutions.

The reversion to the Ukrainian Orthodox Church became a top subject at the end of the ninth decade. In June 5–6, 1990, seven orthodox bishops, over 200 priests, 500 secular people came together at a council in Kiev, where Mstislav (Skripnik)

was elected to be the Ukrainian Patriarch of the Ukrainian Self-conducting Orthodox Church. Then, the metropolitan bishop Filaret, who was in close relations with the future president Kravciuk, came to be the leader of the self-conducting tendency. In order to stop this movement of self-conduction and under the pressure of the Moscow Patriarch, on 27th of May 1992 a Bishop Synod of the Ukrainian Orthodox Church proclaimed metropolitan bishop Vladimir the Head of the independent Ukrainian Orthodox Church. Filaret, at his turn, tried in June 1992 to create a new entity – the Ukrainian Orthodox Church – Kiev Patriarchate.

Movements alike appeared in Moldova as well. In October 1992, at the request of the metropolitan bishop Vladimir and of the orthodox community in Moldova, the Saint Synod of Moscow decided to declare the Moldova Diocese as an independent church. At this moment the Romanian Orthodox Church entered the competition. The Patriarch Teoctist entitled a basarabian metropolitan – bishop Petru from Balti, who was working as a temporary administrator.

As a consequence, the Orthodox Church in Basarabia has been divided into two structures: one that is under Moscow, and the other that under Bucharest. Both of them are of old faith; function according the old calendar before 1923. The greatest part of the moldovan flock continues to be under Moscow's government. Still, there is a slow, but a constant passing process to the church under Romania's authority. It is obvious that the Russian Church authorities are tightly attached to the state apparatus (let us just recollect the symbolical presence of the Russian patriarch at the ceremony for handing in the suitcase with the nuclear codes to president Putin); they are afraid to lose their influence on the population, realizing the fact that once the Metropolitan regains the legal statute, the flock will reform its view towards the Romanian church.

The Metropolitan of Basarabia was reactivated by a synod act of the Romanian Orthodox Church on the 19th of December. The Russian Church operated violently what concerns the Romanian Church's initiative to regain in possession its confessional space. All Moldova's authorities of those times blamed the restart of the Metropolitan of Basarabia. Lucinschi (ex president), Sangheli (ex prime minister), Snegur (ex president) – they are just a few of those who considered the Metropolitan of Basarabia appearance to be "subversive and harmful". The Government refused to consider the functional statute of the Romanian Metropolitan, which up till now is not legalized, although it has under its leadership more than 400 000 believers and over 1500 parishes.

After many cases brought against the government by the representative of the Metropolitan, in August 1997 the Court of Appeal of the Republic of Moldova decided in favor for the Metropolitan of Basarabia, but the Government appealed the Supreme Court of the country. Vladimir threatened even with a civil war in case the Metropolitan of Basarabia regains legal statute. Lucinschi declared that he would discuss the problem with Alexii in Moscow. The elected representative to defend the Metropolitan case, the Member of Parliament Vlad Cubreacov, at present vice

president of the Popular Front Party, managed to internationalize the problem, making Strasbourg to formulate a motion with the same title through which the Moldavian Government is summoned to recognize the Metropolitan of Basarabia.

For the moment, the process is still in development. Until the Metropolitan does not gain a legal statute it does not have any chance to extend itself on the territory. The help from the Romanian Patriarchate is limited by the law conditions of the Republic of Moldova, but it will have to obey the decision taken at Starsbourg regarding the Metropolitan statute legalization.

In 1999, November 10, the European Court for the Human Rights in Strasbourg announced officially the Government of the republic of Moldova concerning file nr. 45701/99.

Thus, the fact that Russia had, has and will continue to have great political and confessional influence in the zone of the satellite states is obvious. We are to understand the fact that in order to achieve the EU integration goal, first of all we have to acquire an ethnical, confessional and geopolitical maturity.

Starting with the XV century, the Orthodox Geopolitics is synonymous with the term "the Russian geopolitics". This notion inspired the exclamation "the neighboring countries". After the XV century a political degradation of the Ottoman Empire started together with the Balkan peoples' fight for the national liberation, which encouraged Russia through the support of the orthodox demands. Still, Russia met a counterstroke because of the fact that such political – ideological conceptions as the Great Greece, Great Bulgaria, Great Romania, Great Serbia appear, and many peoples started to claim for the territories where the respective populations used to live. This fact was hardly accepted by Russia.

By 1913 Greece had doubled its territory, but it affected the geopolitical interests of other orthodox peoples, as the Greeks laid claim to the territories of Macedonia and Frachia. Bulgaria and Serbia claimed these territories too.

Along the formation of Yugoslavia in 1920, with Russia's support, in its composition were included not only orthodox territories, but catholic ones as well.

The appearance of Romania was not welcomed by Russia because the feelings of the unity with the Latin world persisted. From the orthodox positions this unity with the Latin world was interpreted as an absolute joining with the Vatican Church that has the aim to influence the East politically and spiritually. That is why Russia looked for some favors when supporting Romania; it approved and supported the anti Turkish and Greek Phanariots movement in exchange for the domination over Basarbian territory inhabited by Romanians. Moscow views the Romanian Orthodoxy as Latin culture integration. Here from comes the idea that the Romanians tend more to Rome, and the Romanian nationalism is considered anti Greek.

Bulgaria starts in 1970 to form the Bulgarian religious autonomy, and the basic idea was to unite in a geopolitical block all the orthodox people in Balkans who are loyal to Moscow. Simultaneously with the geopolitical independence, the idea

of "the Great Bulgaria that would bring together the whole population" appeared. It was expressed by the idea of "Bulgaria – three seas", that meant Bulgaria's unification with Frachia and Constantinople. There are some historical moments when the Bulgarian Orthodoxy deviated from the Moscow line. These feelings were estimated as being "pro West". Still, if taken from the ethnical position, there are no diversions.

Albania comprises more denominations: Sunit – Albanians, Bectas – Albanians, Catholic – Albanians and the Christian Albanians. Albania appeared due to an orthodox factor. Fan Holice was an acolyte of Moscow and was directly supported by it. At present, there is a distinctive dualism in this country. The geopolitical interests of the Byzantine orthodox people collide the interests of the Russian Patriarchate.

One of the basic particularities of the Balkan orthodox people is expressed by the existence of two geopolitical contradictions with religious aspects: the orientation towards Russian geopolitics, and the line "Moscow – the third Rome" orientated against the catholic, anti Turkish worlds, but as well against the orthodox people who loosen Moscow's positions in Balkans.

Secondly, even if they are Balkan orthodox people, they are pity for the catholic people.

And, at last, by the facts stated above, Moscow interprets the enforcement of the Turkish influence positions, and the Anglo-Saxon influence to be estranged from the Moscow Patriarchate.

Roman Lozynsky

Modern Tendencies of the Development of Ethnolinguistic Situation in Ukraine

Independent Ukraine inherited a great deal of social problems from the former Soviet Union. However, in modern scientific literature the most frequently attention is focused on the problems of social-political and economic development of the young state, often not paying attention to not less important social-cultural, ethno-cultural, religious problems etc. Language problem is one of the most important but insufficiently investigated problems of Ukraine. It essentially influences the development of many processes and phenomena, being an inseparable feature of modern social life of the country.

The essence of language problem implies that along the absolute advantage of Ukrainians (about 80% of the total amount of citizens) in the composition of the population of the country, de facto Ukraine is bilingual state, as in the past a considerable part of Ukrainian population was subject to language russification, that is, changing its native language from the nationality language into Russian one. Absence of Ukrainian State system for a long historic period, and being as Ukrainian ethnic territory, a member, first, of Russian empire and then of the Soviet Union, are the main reasons of russification of Ukrainian population. In these states official language policy was directed at the limitation of language rights of national minorities, their assimilation by the Russians, their title ethnoses. Language russification of a considerable part of Ukrainians, Bilorussians, Tatars, Bashkirs and representatives of many other ethnic communities is the consequence of this policy. Ethnic communities of Slavonic group whose language is kindred with Russian, and also some not numerous peoples of European part of Russia (Karelians, Mordvinians) suffered much from this policy. Russification of population, first of all, was conditioned by the privileged position of the Russian language. Thus, the raising of social status was associated with a person's everyday communication in Russian. Russification was partly of a forced character, as it was accompanied with prohibitions and limitations concerning languages of national minorities in the sphere of secondary and higher education, publication, mass media etc.

Language russification of Ukrainian population began at the end of the XVIIth and in the XVIIIth centuries, in the process of gradual limitation and then

liquidation of Ukraine's autonomy, as a member of Russian empire, by the Russian tsarist power. However, by the second half of the XIXth century, only a small quantity of Ukrainians was subject to language russification. The thing is, that above 90% of Ukrainian population lived in the rural areas, and a rural way of life almost did not create condition for the development of the processes of language assimilation. Besides, by 1861, a personal dependence of the peasants on the landowners (serfdom) existed in Russian empire; therefore, Ukrainian peasants had a limited access to the cities where there were the most favourable conditions for russification. As a whole a relatively small quantity of the Ukrainian population lived in the cities of Ukraine; mostly the representatives of other ethnic groups, namely: Russians, Jews and Poles lived there.

After the emancipation, the possibilities for language russification of Ukrainians essentially increased. Some factors favoured this. First of all, rather intensive industrial development of separate regions of Ukraine promoted resettlement of Ukrainian peasants into the towns. There, in Russian-language environment, they gradually adopted a spoken Russian language. The development of education sphere, including Ukraine, is another factor of russification. The Russian language was the instruction language in higher school on the part of the territory of Ukraine, being a member of Russian empire. At last, tsarist power limited the possibilities for the development of the Ukrainian language on the legal level: Valuyev's {1863} and Ems's {1876} instructions prohibited publishing religious, school, scientific-popular, scientific books, words on music in Ukrainian and importing any Ukrainian books from abroad.

Factors, mentioned above, enhanced the privileged position of the Russian language. However, a total degree of russification of the Ukrainian population remained not so high. Russification was delayed by a rather low level of the industrial development of Naddniprovyanshchyna, Polissya and Podillya, the regions where a main part of Ukrainians was concentrated. In these regions, the Ukrainians went on living predominantly in rural areas. Therefore at the end of XIXth and in the first decades of the XXth centuries, only one powerful region of language assimilation – Donbas, one of the largest coal mining basins in Europe, existed, apart from cities and strips of Ukrainian-Russian ethnic borderline. While exploiting coal deposits, not only Ukrainians from the neighbouring rural areas, but also Russians, predominantly from central parts of Russia moved to Donbas on a mass scale. Thus, a share of non-Ukrainian population, Russian language environments formed and conditions created promoting Ukrainian russification.

Ethnolinguistic situation in Ukraine in the first quarter of the XXth century, was represented by the census of the population of 1926, the first valuable Soviet census, carried out after the establishment of Bolshevik power on the territory of the larger part of the former Russian empire. According to this census of population, 2.7% Ukrainians acknowledged Russian as their native language, or 621.9 thousand people out of about 23.2 mln Ukrainian population was observed

in the following regions: Donbas (Russian was acknowledged as native by 9.6% Ukrainians), Polissya (7.6%), Steppe (3.8%).

In the 30–50-s of the XXth century radical changes took place in ethnolinguistic situation in Ukraine. According to the census of the population of 1959 almost 2.1 mln Ukrainians acknowledged Russian as their native language, that is, 3.3 times more than in 1926, a share of russified Ukrainians increased by 6.5%.

Essential increase of the number of Russian language Ukrainians in Ukraine was caused by a series of objective and subjective factors functioning in the period of Stalin regime. Specifically, at the end of the 20-s when Stalin managed to completely concentrate power of the country into his hands, the processes of “ukrainianization” taking place in the 20-s of the XXth century with the aim of enhancing a social role of Ukrainian language, improving the conditions of national-cultural development of the Ukrainians, and representatives of other ethnic communities living on the territory of the Soviet Ukraine, were curtailed. On the contrary, russification policy was renewed. Some show-trials against nationally conscious Ukrainian intelligentsia took place, a considerable part of it being killed or sent to Stalin concentration camps. Since the 30-s of the XXth century, prestige of the Ukrainian language and culture in Ukraine began lowering, and Russian became a business and communication language in many spheres of social life. Excessive admiration by the Ukrainian language and culture could become a ground for unsubstantiated accusations and repressions. All that caused a gradual refusal of the Ukrainian language and reorientation at the Russian spoken language by the Ukrainians, especially, by those who looked forward to obtaining professional or party career. These processes widely spread in the cities of East and South of Ukraine, environments existed earlier. In the central and western parts of Ukraine, where Russian and Russian-language population was few, bilingualism was widely spread. People used Russian at work and Ukrainian at home.

Rather intensive industrialization of the territory of Ukraine, due to which urbanization level increased from 18.5% in 1926 to 45.7% in 1959, considerably promoted russification processes. Industrialization was accompanied by migration of the Russian-language population from different regions of the Soviet Union to the territory of Ukraine.

Mass resettlements of the population, taking place in the 30–50-s of the XXth century, especially during world wars, repressions, deportations etc., is one more factor of Ukrainian russification. Thus, millions of Ukrainians were repressed and exiled into the eastern regions of the USSR during mass Stalin repressions. During the Second World War, while hitlerite troops’ moving to the East, a considerable part of the Ukrainian population was resettled from Ukraine to unoccupied regions of the 30–40-s of the XXth century, soon returned home. However, they used to return very often, having formed families, having been subject to language assimilation.

A considerable decrease in the Ukrainian population during famine of 1932–1933 and during the Second World War became one of the most essential factors

of russification. As it is known, during famine, according to statistics, within 5–7 mln Ukrainians died. During the Second World War every sixth citizen of Ukraine was perished. Demographic losses were compensated at the expense of migrants from Russia, least at other regions of the USSR, first of all, of Russians, and all, of Bilorussians, Tatars, Jews and representatives of many other ethnic groups.

In addition to above mentioned, there were some more russification factors. Thus, the member of Ukrainian– language schools, began decreasing, russification of higher education sphere began increasing in the most regions of Ukraine. Mixed marriages and men’s involving into the service to the armed forces of the Soviet Army were other important factors of language russification. All that caused weakening Ukrainian language position and mass spreading Ukrainian–Russian language, so called *surzhyk*.

In the 60–80s of the XXth century Ukrainian russification lasted. After a short political “thaw”, during Mykyta Khrushov’s power in Moscow, due to a series of measures concerning democratization of national–cultural life during Leonid Brezhnev’s power, russification enhanced its activity. Pseudoscientific doctrine of forming a new socialist nation, “the soviet people”, where all the ethnic communities of the former Soviet Union should unite, completely predominated in the country. One of the main tasks of doctrine was to disguise russification processes ideologically. In the 70–s of the XXth century, some regions of Ukraine, in Donbas and the Crimea in particular, were short of schools with the Ukrainian instruction language. The total number of the population with the native Russian language predominated over the quantity of Ukrainian language citizens. Similar situation was in the largest cities of Ukraine – Kyiv, Kharkiv, Odessa, Dnipropetrovsk. Southern regions of Ukraine – Mykolayiv, Kherson, Odessa – became other regions of rapid russification of the population. The development of sanatorium–resort sphere favoured Ukrainian russification.

Russification of Ukrainians took place more or less intensively almost in all the regions of Ukraine. According to the last Soviet census of the population of 1989, almost 17 mln people, or 32,8% population of Ukraine of different ethnic origin (Russians, Ukrainians, Bilorussians, Jews, Tatars) acknowledged Russian as their native language. Within 1959–1989 the number of Ukrainians with their native Russian language increased more than twofold, from 2.1 mln to 4.5 mln people, or from 6.5 to 12.3% out of the total quantity of Ukrainian population. The highest share of Ukrainians with native Russian language was observed in the following regions: Crimean (47.4% out of the total Ukrainians population), Donets (40.6%), Lugansk (33.6%), Odessa (25.8%), Zaporizhzhya (22.9%), Kharkiv (20.6%) and Kyiv (21.2%).

Proclamation of the independence of Ukraine in 1991 created the conditions for radical changes of the character of ethnic processes. First of all, the migration tendency changed. While during the whole Soviet period, upto the 80–s of the

XXth century, representatives of the different ethnic communities of the former USSR moved to Ukraine, in the 90-s a contrary phenomenon began, that is, the returning of a part of the population of non-Ukrainian ethnic origin to their previous residence. This process first embraced a part of military people of the former Soviet army of non-Ukrainian nationalities who did not wish to serve in the Ukrainian armed forces, including members of their families. Soon, tens of thousands of former migrants of the 80-s of the XXth century who could not adapt on the Ukrainian territory, and at the same time preserved stable kindred ties in the regions from which they were moving to Ukraine, returned to Russia and other countries. Better than in Ukraine, economic situation in many new post-soviet countries was for them in the 90-s a major stimulus of going outside the country. Besides, a lot of representatives of different ethnic groups left for the west (USA, Canada, Germany) on the pretext of disappointment by the post-soviet reality. At the end of the 80-s of the XXth century emigration of Jews to Israel also sharply increased. In contrast to the migration of Russians and Jews, in the 90-s of the XXth century, a considerable quantity of Ukrainians, having lived outside Ukraine, mostly in the Union of Independent States, returned to their motherland.

Unfavourable sex-age structure of the majority of ethnic minorities became another important reason of decreasing in the number of non-Ukrainian population. It influenced their natural increase, especially caused essentially lower indices of birth-rate and higher indices of mortality, compared to the Ukrainians. Detail analysis of demographic situation, created among representatives of different ethnic communities, testified to the fact that already at the end of the 90-s of the XXth century, in many regions of Ukraine, Ukrainians were the only ethnic groups (among the most numerous), having positive indices of natural increase in population. All other ethnic groups were characterized by natural decrease in population, mortality predominating over birth-rate by many times among some of them. Poles and Jews had particularly unfavourable demographic indices. Migratory and demographic processes mentioned above caused essential decrease in Russian ethnic environments in most regions of Ukraine. The number of Russian language population first of all decreased due to migrations and unfavourable indices of natural population movement.

In December, 2001, the first All-Ukrainian Census of the population took place in the country. According to its data ethnolinguistic situation in Ukraine was characterized by the following indices. A share of title ethnos, Ukrainians, first of all, sharply increased in the composition of the population of the country. Within 1989-2001 increased at once by 5.1% points, reaching 77.8%. Emphasizing the importance of this result, we should admit that in the XXth century a share of Ukrainians was never so high in Ukraine (in the modern state limits). In the interval between censuses the quantity of Ukrainians slightly increased in the country (by 0.3%), on contrary, the total member of Ukrainian inhabitants decreased.

It happened so, because the quantity of the majority of ethnic minorities, living in on the territory of the country, essentially decreased. Thus, the quantity of the Russian in Ukraine decreased by 26.6%, Bilorussian – by 37.3%, Moldavians – by 20.3%, Jews – 78.7%, Poles – by 34.2%.

A share of Ukrainians, who acknowledged their nationality language as native, decreased from 87.7% to 85.2%. The quantity of Ukrainians with native Russian language increased more than by 20% – from 4.6 mln to 5.6 mln people. However, the numbers of Ukrainians with native Russian language increased, as from one to two million citizens of Ukraine, first of all, its eastern and southern regions, calling themselves Russians during the Census of 1989, in 2001, already identified themselves as Ukrainians, but with native Russian language. In general, the role of the Ukrainian language in the country enhanced, and the Russian language – weakened. Thus, in 2001, 67.5% of the population of Ukraine considered the Ukrainian language as their native one, what is 2.8 per cent points more than according to the census of 1989. 29.6% of the population considered the Russian language as their native one. Thus, compared to the previous census of the population this index lowered by 3.2% points. Ukrainianization of ethnic minorities heightened the importance of the Ukrainian language. Thus, a share of the people with native Ukrainian language essentially increased among Russians (from 1.6% out of the total amount of Russian population of Ukraine), Bilorussians (from 9.3% to 17.5%), Moldavians (from 6.1% to 10.7%), Poles, Jews, representatives of other ethnic communities, inhabiting Ukraine.

Ethnolinguistic situation in the regions of Ukraine appeared to be more interesting. According to the census of 2001, the country has been distinctly divided into two parts: regions with continuous russification process and regions where a share of Ukrainians with native Russian language decreased. A share of Ukrainians with native Russian language increased in the east of Ukraine (Donetsk, Luhansk, Kharkiv regions), in the south (the Crimean Autonomy, Mykolayiv, Odessa, Kherson regions) and also in industrial Prydniprovya (Zaporizhzhya and Dnipropetrovsk regions).

In the regions mentioned above, rather rapid russification of Ukrainians was taking place during the second half of the XXth century. However, in the southern, Prydniprovya regions and in Kharkiv regions, after the proclamation of the independence of Ukraine, russification rate essentially slackened. Taking into consideration the fact that during census of the population of 2001, a considerable quantity of the population of these regions changed their nationality from Russian into Ukrainian, but called Russian their native language causing the increase in the number of Russian language Ukrainians, one can state that in general the russification of Ukrainians almost ceased in these regions. Thus, actually the results of the census of 2001 testify to the fact that in the 90-s of the XXth century the russification of the Ukrainian population did not cease only in three regions of Ukraine: Donetsk, Luhansk regions and Autonomous Crimean Republic.

There is a series of social – political and economic factors favouring a rather high level of russification of the Ukrainian population in some regions of Ukraine. Some political forces in the country constantly speculate on the language problem, opposing Russian language to Ukrainian language population and promising the proclamation of Russian the second official language to a part of the population of Ukraine, on the condition of coming into power. Almost just after proclaiming Ukraine independent, from the side of some political forces of Russia, the attempts began to use the presence of a considerable quantity of Russian language population in Ukraine with the aim of exerting political pressure upon the young country. Extremely active availability of Russian language mass media in Ukrainian information space also considerably causes the aggravation of the language problem. Thus, the Russian language prevails in most Ukrainian TV channels. Besides, citizens of great cities have the possibility of receiving some Russian state and private TV channels. In most cities of Ukraine one can freely buy tens of Russian newspapers on various subjects. Russian books have filled up Ukrainian book markets, as manufacturers of book production in Russia have considerable tax privileges.

For the nearest years the tendencies of the development of language situation will be considerably determined by the results of presidential elections which are to take place at the end of October, 2004. Viktor Yushchenko, the most popular opponent candidate, is supported, first of all, by citizens of western and central regions of Ukraine, the least russified ones. Thus, if this candidate wins, from the side of the power, more probably, we should expect more consecutive language policy directed at comprehensive functioning the Ukrainian language in all the regions. Tendencies of the change of language policy, in case of the winning of the candidate from the existing power, will depend on who will be elected President.

In spite of the existing difficulties in the revival of the Ukrainian language, ethnolinguistic situation in Ukraine is gradually improving. Most likely, in the first decade of the new century, a share of Russian language population in Ukraine will be shortening. However, complete overcoming negative consequences of prolonged russification of Ukrainians in the nearest perspective is hardly possible. In the east and in the south of Ukraine, powerful multimillion all-round Russian language environments have been formed. In the nearest decades it is hardly possible to “ukrainianise” the Ukrainian population. Therefore, the language factor will remain an important factor of Ukrainian foreign and home policy for a long time, will influence national-cultural development of ethnic communities of Ukraine, and other spheres of social life.

Antanas Bosas

Responsibility of Business and State in the Vortex of Global Processes

Introduction

The task of any structure, representing the interests of the citizens of the region, country or group of states, is to guarantee their future and defend their interests in this world overtaken by global processes. Global processes influence the formation of new attitude towards responsibility. Undetermined information, globalization processes, which rub boundaries between inside and outside activity spheres, between home and foreign policies, make society evolution and development of the states very complicated, so the strategists (states) can manage national development and development processes with great difficulty.

In the process of world evolution business and state must take equal responsibility for the management of decisive changes. It is so easy for a state in the run of ongoing changes to reach and cross the critical limit, when social and business systems unavoidably experience bigger or smaller shock. Such misbalances of the state inevitably expand globally and have smaller or larger influence on other countries or regions. There appears a necessity to perceive the effectiveness of the decisions as the efficiency directed towards the correspondence to goals system (goals including business, social and international needs and obligations).

Post-soviet countries and developing countries are involved and try to participate in global processes, but unfortunately we have to admit, that taking social responsibility by state or business in these countries is not a rule. Only fundamental reforms of economical system, using specific strategies evaluating different economical; and political conditions, geographical positions, were carried out or will have to be carried out in these countries. Influence and pressure of global processes and inadequate perception of these processes can even more shake already misbalanced social systems of these states.

Lithuania also during the period of its independence was not able to find effective balance between policy, economy, business development, formation of new jobs and national security. Lithuania's participation in global processes was smaller, than impact and pressure on economical and social systems. Lithuania will have to learn to manage country effectively creating effective, scientifically

based, corresponding economical and social position of the country, traditions, citizens' mentality, balanced state management system.

The changes in global process

The problem of management effectiveness of any activity became very urgent as globalization changes are taking place in the world. It became obvious, that the possibilities of management effectiveness lie in adaptation and application of strategic management methodology. It is impossible to foresee exact and reliable and results of planning management. The prognosis of management results always has more probability character because of business influence and because of internal organization's peculiarities, unavoidable informational in determination and inaccurate interpretation of information. Some decisions cause desirable results, but often the final consequences are unexpected as for the elements of managing subsystem, so for managed subsystem. Moreover, the results of implementation of certain decisions taken in the context of certain situations may cause undesirable changes of different scale. In this place appears the necessity to evaluate possible alternatives during the process of making the decision.

It is impossible to dissociate from the criteria of effectiveness and desirable goals, perceiving the effectiveness as efficiency, attainment of necessary or best results. This is where the decision to increase the effectiveness of management decisions, orientating them towards the compliance of the forecasted results to the created system of goals (genetic purposive attitude) and realization of this system by scientific substantiation–teleological principal, comes from. May be there could be a dispute, if it is possible to foresee future possibilities, purely genetically evaluating the origin of management decisions, using extrapolation and created models. However, using present means and methods, it is impossible and hardly will be possible in future to foresee and evaluate precisely the final set of internal and external factors, systemic changes and the effect of synergy. But the prerequisites to make more objective and at the same time more effective management decisions are created.

The changes, which are about to happen and which can be forecasted genetically, "die out" or reach the critical limit. After passing this limit, social systems unavoidably experience bigger or smaller shock. The implemented management decisions cause the process of changes, which affects separate people, organizations and even countries. Alvin Toffler in his book "Future shock" (A. Toffler, 1997) thoroughly analysed future shock. But he didn't estimate energetics, property allotment, demographic, ecological and other balances, from which vitally depends stable mankind's existence. The creative part of the elite, which in 1968 united into Rome's club, showed some aspects of future shock, concerning strategic problems of mankind. A. Peccei, one of the club's initiators, performed the analysis of economical expansion and environment stability's misbalance problem. The only possible conclusion is: when the number of people is increasing and their needs are developing, it is necessary to coordinate the management of

planet's recourses, directing it towards the effectiveness (A. Peccei, 1997). One of the first Rome club's projects contained the study "The limits to growth", prepared in 1972. This project, on the basis of plentiful information, using mathematical modelling and modern calculation technique of that time, tried to evaluate the situation and to perform the extrapolation of the changes of global socio-economical system's status and separate regions. At the same time they were looking for possibilities to create economical system, managed in such a way, that it could satisfy increasing needs of growing society without disturbing the ecological balance (J. Čepinskis, 2002).

The created models of the research prompted the conclusions, that with the tendencies and the system of values remaining the same, the society and the environment, violated by its economical activity, will suffer catastrophic future shock in 2020–2040. It is difficult to evaluate thoroughly the significance of this project even after more than 30 years. It is obvious, that the sooner potential threats and problems are defined; the easier it is to reduce negative consequences of their display and to adapt to possible changes. The performance of strategic analysis and synthesis and the reveal of certain global problems were not the end of the research. In further Rome club's projects there were attempts to propose possible ways of problems solution for separate regions. It turned out that almost all over the world the impact of the economical processes on the environment reached the parameters, leading to breach of balance, and that it is necessary to start immediately managing the processes, maturing future shock, such as globalization, ecological balance.

The main principles, which were used as the basis in Rome club's activity (global perspective, holistic thinking and concentration on long term and inter-subject plans), provide responsibility for everyone, whose aspects of activity have influence on economical and social recourses, ecological stability, etc. There appears social ecological responsibility of business for the consequences of made decisions.

Local processes (reasons) leading to global consequences should be taken into account. Social systems pay no attention to political boundaries, and regional processes cause a shock of much wider character, affecting as states, so corporations, acting inside them. So it would be quite rational to discuss shortly the perspectives of separate types of states – developed, post-soviet and developing– and their input into the approaching future shock.

Three important, affecting each other processes were taking place almost at the same time in the seventh and eighth decades of last century. First of all it was rapid development of informational technologies, which exceeded all the limits of prognosis in this direction. Second process was defined as globalisation, which raised the meaning of environment as global combination. Third process was rapid formation of society movements and stakeholders and the increase of their influence (M. Castells, 1996). The pressure of social, economical and ecological consequences of all mentioned processes finally affect the countries, which have

the smallest possibilities to influence these processes. As social systems in today's world have no borders any longer, the third process (the movement of influence groups) mostly influence self-dependence, business, social and cultural processes of these states.

Developed countries maximally use informational technologies for the development of their economy. Information becomes one of the main recourses in the competitive struggle. Its processing speed and adaptation of strategic management systems under changing conditions becomes more and more rapid. Informational technologies form prerequisites to manage the recourses more precisely, to propose the product better satisfying the needs of the consumer. Thanks to the globalisation developed countries more and more often move even the production of intellectual products or part of production cycle to the countries of post-soviet block or to the developing countries.

Post-soviet countries try to participate in the processes of globalization as much as possible; most of them seek for integration into Euro Atlantic structures. From three priority goals of the foreign policy of Lithuanian Republic only one is regional – good relations with neighboring countries. The rest two are of global character – to integrate into European Union and NATO. The post-soviet countries often perform the role of a bridge between East and West. Nevertheless we have to ascertain, that taking social responsibility of state and business is not a rule in these countries, but only separate cases. In most of the cases the companies, established on the basis of developed countries representing capital and influence groups' movement condition it. Social systems are not balanced in developing countries as the influence of world's processes (information, globalization, influence groups) and their pressure is accepted and perceived not adequately. In such a way business social ecological responsibility is even more limited in the developing countries. Quite often non-strategic goals are prevailing in business structures, representing these states, or the interests of private capital are closely related to state interests. The movements of national influence groups in these countries are often controversial – from complete absence to carrying out a coup in the country. Unformed middle class, who according to specialists of politics is acknowledged as the basis of state's stability and long-term development, is characteristic for these countries. The participation of the developing countries in global processes is often minimal and more related to experienced impact and stress on economy, than to usage of appearing possibilities.

In Lithuania as in the Central and Eastern Europe the carried out reform of economic system represented fundamental change of key institutions functions, ownership forms, enterprise management methods, laws and even mutual communication and approach to work. While carrying out such reform, countries of transitional economy had to follow not only the general principals of reform, but also to employ specific strategies taking into account different economic and political situation in each country and even geographical position of the country (M. Starkevičiūtė, 2000). At the same time Lithuania was involved into two

transformation processes namely – into the process of global change and into the process of transformation of Lithuania itself as the national state, which in the context of global change is sub transformation process. The preceding decade of existence of the Lithuanian state demonstrates that Lithuania has not formulated its clear position in geo-economics map of Europe and the world. Furthermore, still unclear is composition of the geo-economics atlas – definition of international and economic limits, determination of national interests, framework of strategic alliances, contours of economical groupings, etc. Within this context it is very important to feel and substantiate the crucial long-term objectives of the state and society's modernization. One of such objectives could and should be problem of the middle class formation in Lithuania. Without purposeful coordinated actions by authority, leaders of business community and other important state functioning spheres it will not be possible to build the middle class rapidly and efficiently. Perhaps the most important financial-economic, social-democratic, psychological-value-oriented forming moments of the entire society and its nucleus focus in this objective. Dictate of the global economy, which we start to feel already, should not overshadow realization of our own national goals in the economy as well as culture, education, health and social care spheres. Strategic management on all levels could advantageously and effectively support maintenance of the necessary balance between development of these spheres and international cooperation. In my opinion, solely by efficient use of the available priorities of Lithuania, i.e., the country's geographical position, benefiting from possibilities as a maritime and transit country, markets and raw material resources of the East, Western technologies and very high human potential of this country, i.e., high competence level of our researchers and scientists and skills of trained youth, by developing high technology manufacturing, Lithuania would successfully joint the world processes, guarantee the development of new quality society and would avoid the burden of globalization consequences. However, it is necessary to comprehend and be able to realize these processes.

In the current phase, more focus should be given to the problems of purposeful transformation of Lithuanian economy, analysis of factors determining success of transformation process, preconditions, objectives, consequences, as well as problems related to integration into the European Union. Successful process of economical transformation largely influences possibilities of economic potential development, strengthening of worldwide competitiveness of individual companies (K. Prunskienė, 2000, p. 97).

It is obvious that taking business social ecological responsibility mostly depends on macro environment and if macro environment is not demanding, business and state takes the obligations much slower. It is problematic to formulate the state's goals hierarchy in terms of methodology. Yet, here it is possible to discern several distinct things: the state's goals are external and internal. In terms of the strategic management methodology, which goals – external or internal – are dominant under normal conditions of external environment and internal

environment activity do not raise any doubts. In this aspect, the crucial problem is compatibility of internal and external environments or compatibility of internal and external goals. In respect to the state, most probable, it is problems of compatibility of policies and continuity. Deeper analysis of the state can predetermine weak places of state's social ecological responsibility and potential decisions, which can be applied for regional scale. The problems are much more evident than the ways of their solution. It is very difficult to foresee strategic decisions, orientated to the elimination of these problems.

Though global problems in separate regions reveal themselves not in the same way, the problem basket, forming the context of global crisis, is marked out. Armament competition is named as the first problem. Armament expenditures are not effective and can't be justified. They are useful as far as they contribute to guarantee national security, but very often the increase of these expenditures cause analogical action of other countries. The entire burden is laid on economy, business and household. Another actual problem of globalisation crisis is the gap between developing and developed countries and the growth of this gap, which especially revealed during the development of the main world processes (information, globalization, influence groups). As it was stated (I. B. Bestužev-Lada, 1998), after the transfer from colonial world political structure, the difference between the economies of the developing and developed countries was named as "several times". Later it was "some tens times", at present moment the fixed gap is "some hundreds times". The most urgent question in the developing countries is not the question about the influence of global processes, but the question about starvation. The problems of common welfare and ecology, the stability of the environment are also the part of the mentioned problem basket. The distribution of goods and services, transport balance, extraction of the recourses necessary for life should go with environment's stability. The problems of atmosphere, water, soil, radial, chemical, noise and thermal pollution of the environment in the developed countries are solved more or less successfully. Modern technologies and rational economical processes are used for this purpose. At the same time there are simple no recourses to solve these problems in the developing countries.

The goals for changes

The first step is forecasting future problems context with the help of extrapolation and modeling. One should be able to apply this forecast for the increase of the effectiveness of strategic management decisions. Effective strategic management decisions should lead to the goals of new quality. These goals make the essential prerequisites to transfer to alternative development of civilization and to avoid possible global crisis, which includes not only world's ecology, but also the threat of war and national prosperity.

The first goal – is low energetics. Energetic recourses of the world are not limitless. The attempts to use alternative, renewing energy sources were not leading to real solutions. There is the statement, that if developing countries reach USA

level in mineral resources usage, the world recourses of oil would finish after seven years, gas – after five years and coal – after eighteen years. The same or similar numbers are given in different studies, analyzing the questions of energetics. But the statement, that with today's rates of technical development after 240 years people will consume more energy, than comes from the Sun to the Earth, is even more interesting. These numbers evidently show, that the solution of energy problems is hidden not in the search of alternative energy sources, but in low level of energy usage.

The second goal is high stability. Here the balances of global, regional and local transport, distribution of goods, trade, demography, ecology, dwelling places, etc. are meant. The absence of balances unavoidably causes ineffectiveness, irrational usage of the recourses, striving for balance, which is based on aggressiveness. The inhabitants of developing countries legally and illegally try to immigrate to developed countries. At the same time high rate of birth is certified in the developing countries, which makes the solution of such problems as unemployment, poverty and welfare even more difficult. Striving for stability is based on the system, the main goal of which is to propose optimal decisions, seeking for social progress, economical growth and coordination of social stability, trying to satisfy the needs of present and future generations. When economy is not able to satisfy the bigger part of social needs, the point is reached, when ecological arguments are considered to be of little value. The balance between satisfying the needs and preserving the environment is lost in such a situation. The implementation of this goal becomes more difficult because people can't be managed as energy.

The third goal is ecological cleanness. The absence of ecological cleanness can cause harm not only to fauna and flora. If it is possible to strengthen business competitiveness using more effectively the resources, so the absence of ecological cleanness can completely destroy the possibilities of entire states to compete. Just the consequences will quite soon "move" from environment dimension to social one and then economy will suffer the immense stress of social care expenses.

It will be impossible to implement any from upper mentioned goals if people don't understand their importance. This is where the fourth, may be the most important goal – new quality of education, comes from. If it were possible in the educational institutions of different levels to form the system of values for young generation, the constituent part of which is the responsibility for society and environment, people, who started to live independently, would feel themselves as not only the members of the society, but also as the part of the environment. It would be a weighty step towards moving away the global crisis, as "modus operandi" of such people of course would be oriented to rational usage of the recourses, other priority directions of social ecological responsibility.

Named new quality goals should be implemented on the basis of essentially new principles. In 1995 Rome's club formulated one of such principles, which should help to answer most of strategic management questions. The main idea of

the principle, which is known as “Factor 4” is the following: it is possible to reach two times bigger result using two times smaller recourses. There were attempts to substantiate this statement by concrete examples (E. U. Weizsäcker, A. B. Lovins, H. L. Lovins, 1996). The increase of natural recourses’ effectiveness by four times is especially urgent for those countries, where environment protection management systems and cleaner technologies are not introduced, where there are no traditions of saving recourses. Number 4 is based on empyreal research: it was proved that such increase of effectiveness could be reached integrating the most new achievements of management, technologies and other sciences. The necessity of systematic attitude is emphasized. It is necessary to take into account not only direct consequences of the implementation of decisions made, but the influence upon the other elements of the system as organization. It would be difficult to disagree – the advantages of systematic thinking convinced everybody long time ago. But real implementation demands to change the direction of technological progress. The efficiency of the recourses should be equally important as labour efficiency, which was highly emphasized earlier. Finally, using two times less recourse unavoidably includes the concept of human recourses. How many people will stay unemployed if to satisfy two times bigger demand we shall need much less workers, applying the principles of “Factor 4” on a planet scale? Here we can only once again remember the conception of “future shock”. In this case the changes, that are about to happen, are unavoidable. So it is possible only to forecast their consequences, try to avoid negative and maximally use positive ones.

There naturally appears a question, which should be discussed: in which countries – developed or developing the application of this principle could find more favourable ground? There are several opinions on this question. One of them states, that it is more effective to instil the technologies, based on the principle of “Factor 4”, than to reorganize functioning enterprises. This is why it is easier to do that in the developing countries. On the other hand, it is possible to refer to another opinion, that usage of novelties in the developing countries is always related to the problem of their rejection, related to the inertness of thinking, lack of qualification, values and priorities conflicting with the reasons of novelties. Trying to evaluate the weight of the arguments of these contradicting opinions properly, to check their validity it is necessary to make the tests, which shouldn’t be limited only with the analysis of general tendencies. It should be urgent enough research, enabling to foresee the installation scenarios of more effective technologies and possible problems in post-soviet countries as well, Lithuanian included.

As during the industrial revolution, so in this stage of increasing efficiency the states, which will be able to adapt to the changes as quickly and effectively as possible, will acquire competitive advantages. It is possible to foresee that the rest countries will have serious economical and social problems; the gap between developed and developing countries will increase even more. But will “the far

away" countries avoid social. Economical and ecological shock caused by global processes? Of course not! They will only have to face fewer negative consequences for a certain period of time. Previously urgent questions "Is the start given already?", "Are there any states which are ready, which have gathered full speed for the leap?", "May be the leap is done already, but we do not see its consequences yet?" become meaningless in this context. The author's opinion is that "a spoon of tar in the world's barrel of honey" will not become a "bowl of tar" if all the states of the world understand that they are connected with unbreakable connections in this durable process.

Conclusions

Only separate economical – financial goals of production and service development of the states are not able to guarantee effective world's evolution; present and future quality of society's evolution suffer from such one-sidedness, deep contradictions appear in social and ecological spheres.

If the changes of global socio – economical system and separate regions are not managed purposefully the world can very quickly come to "future shock" – especially undesirable and catastrophic results as in surrounding environment, so in business and social structures.

Social and ecological responsibility of business mostly depends on business macro environment. Global problems growing into crisis in separate regions manifest themselves not in the same way, thus the scales of social-ecological responsibility can differ in tens and hundreds times.

Systematic approach allows seeking for the goals of evolution quality and at the same time coordinating optimally economical – financial and growing competition goals with ecological and social goals of macro system. In this way it is possible to include organically social and ecological responsibility into new evolution quality system.

Globalization obliterates boundaries between the state's internal and external activity spheres, between domestic and foreign policy. Worldwide global processes, trends and flows are becoming development vectors of any national economy in economic, social, political, financial, manufacturing and other spheres. Strategists of national expansion and development process should take and evaluate the said fact.

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Ligita Šimanskienė

Globalization and Changes: a Lithuanian Case

Introduction

Today, in order to guarantee the global peace and to promote welfare, to disseminate information on science and technology innovations and to solve environmental problems we need a bigger institution than a national state, which is not able to solve the most urgent problems of humankind; such problems are no longer within control of one national state. However this does not mean that a national state has become obsolete. Central Europe is a region already well integrated with the EU in terms of trade (A. H. Dawson, R. Fawn (eds.), 2002). It is becoming more strongly connected via investment, when a business culture is fast approaching the diversity that can be found also in the West. But the legacy of communism has left national economic structures with shortcomings that only time and investment can correct. The progress of science and technologies stimulated social, economic and political changes. Globalization and the development of technologies incite the expansion of competitive environment. National diversities, the values dominating in the national culture – these are the factors dominating the level of competitiveness (D. Held, A. McGrew, D. Goldblatt, J. Perraton, 2002).

A major challenge facing organizations is to manage change effectively. When organizations fail to change in necessary ways, the costs of that failure may be quite high. All organizations exist in a changing environment (the globalization process also) and are themselves constantly changing. And the question arises: what is happened when fail all country political system? What is happened when we don't pay any attention to cultural differences? Lithuania has a lot of problems (of course and possibilities) after the restoration of Independent. And we have a problem if a frequent case of mechanical adjustment of western business forms and methods in managing staff, paying no attention to important national Lithuanian values, personal characteristics is the cause of social conflicts and the performance doesn't correspond the desired level. It goes without saying that the processes of transformation in the society directed towards democracy and progress stimulate the application of modern management theories in managing organization (L. Šimanskienė, 2004a). This problem existed when we talk about managerial styles too. What is the impact of cultural diversities on different styles of manage-

ment? How to define such impact? Does the difference in understanding the issue exist in different countries? Striving for constant improvement in organisation, for its profitable work and for creation of environment where all its employees would feel involved, would see their future and the sense of the life, it's inevitable to have a leader of organisation who could be able to consolidate interests of all employees for achieving of organisational goals. The leader can realise his/her mission only when he/she has certain specific personal qualities (A. Seilius, 2003). And now we describe researches on typical Lithuanian features and personal qualities needed for managers in the context of globalization.

Globalization: cultural point of view

Globalization has different meanings to different people. Globalization is a concept which is describing the ever-intensifying networks of cross-border human interaction (A. Hoogvelt, 1997). This definition perceives globalization in terms of increased human interactions across the globe. A similar and yet broader definition of globalization incorporating sociological dimensions is conceived by Giddens (J. Sae, 2004) in which he portrays globalization in the following fashion: globalization can be defined as the intensification of worldwide social relations which link distant localities in such a way that local happenings are by events occurring many miles away and vice versa. A more radical definition of globalization sees (J. Sae, 2004) "globalization as a process that is characterized by awareness of global challenges; the global economy, legal system, culture, and infrastructure; and the global recognition and acceptance of human rights such as equality of opportunity, and freedom of thought and expression".

In the same vein, M. Waters (1995) proffers a sociological definition of globalization in which he argues that "globalization is a social process in which the constraints of geography on social and cultural arrangements recede and in which people become increasingly aware that they are receding". Z. Bauman (2002) asserts that in fact processes of globalization cause lots of problems: in the world where capital has lost its permanent abode and national governments have nearly lost control over financial flood, the greater leverage of economic policy isn't functioning any more. The image of global confusion most probably reflects new understanding (it has lost its complicity but that wasn't necessarily determined by the sudden end of blocks policy) that things which seemed to be under firm control or at least "technical control", in fact are spontaneous and accidental. The author gives the following definition of the globalization idea; the world matters are indeterminate, without control and laissez-faire. Cultural-historical peculiarities, two different cultural opinions based on historical formulation form the basis to assimilate and adapt both Western and Eastern ideas and values, thus becoming the "intermediary" between the East and the West. R. Kazlauskas (1993) emphasized that the nation's political state and development perspectives are determined by outside and inside factors. The first belong to the entire complex of international relations based on treaties (co-ordinate) or compulsion (subordi-

nate) bonds. The form of the second group factors consists of free inward decision of every nation to choose the most acceptable form of political regime. D. Held, A. McGrew, D. Goldblatt, J. Perraton (2002) introduced three types of arguments for a large-scale discussion about the foundation and importance of cultural globalization. Hyper – globalists describe or predict homogenization based on popular American culture. Others support those remaining sceptical and emphasizing the instability of global culture and compare it with national cultures having firm, even increasing geopolitical contradictions in cultural differences of the main world civilization. Those who support transform-nationalistic position describe the mixture and nations as the phenomenon which forms cultural hybrids and the new nets of global cultures.

J. Tomlinson (2002) emphasizes that in the global world national cultural identities remain resistant and important. The author states that the remains of national obstacles for global cosmopolitan identities to arise even because those identities fully occupy people's cultural imagination and broaden outlook. At the same time the author emphasizes that perhaps globalization won't create entire global culture according to a certain, historically unique model of national cultures. However, having accepted this as a distinctive feature, it might turn out that there are means of estimation of global cultural identity. B. Melnikas (2002) says that "conversion" of global spaces into new qualitative states found in these spaces and processes have the tendency to acquire new qualities appearing on the new scale due to their characteristic changes. Processes of this kind also predetermine formulation of new forms of such spaces and processes which means that these spaces and processes in certain periods of development or certain stages of development might transform into new spaces and new processes. L. Šimanskienė (2002a), L. Šimanskienė, V. Venckutė, E. Župerkienė (2003) turned their attention to the fact that managers should know their subordinates well and especially pay attention to their nationalities. In their opinion, representatives of every nation have certain features of their character, and only being aware of them, it is possible to effectively motivate an employee. In order to manage the organization successfully, it is necessary to form and cherish the organization culture. R. D. Lewis (1999), D. I. Jung and B. J. Avolio (1999) made investigations in the influence of management styles in group performance. The results proved that the same style of management might be realized in different ways which make a different effect on motivation and activity of individuals who represent various cultural groups. P. Žukauskas (2000), who studied the ideas of various authors about possibilities of penetrating into different markets, states that the means of actions which might seem effective in one country might appear ineffective in another. The arguments are convinced by differences which lie in cultural and living standards of certain countries. P. Zakarevičius (1998) also emphasized that little attention is being paid to investigations of natural features. It is necessary to prepare suggestions, recommendations, methodology, with the help of which it might be possible to change, improve the cosmopolitan management system in

the way possible to make positive evaluation and eliminate negative national features. S. Shane, S. Venkataraman, I. MacMillan (1995) defined that national culture has the direct influence towards organizations cultures as well. They asserted that international corporations have more chances to compete than home organizations because they operate in the diverse environment which makes them look for means insuring competition. They also emphasized that it is not permitted to export strategies of one country into another without having checked if they fit that national environment. This fact has to be taken into consideration; otherwise the attempts might become ineffective. Therefore it is important to realize the existing differences and to use them in business development. G. Hofstede (1992) who investigated organizations cultures formulated four main models of values: the distance authority, attempts to avoid in determination, individualism and collectivism, manhood and womanhood. The author proved that organization cultures together with national and ethical factors are related. He makes a detailed analysis of the typology of organizations cultures on the basis of the national-state characteristics. The background of the typologies is made of valuable orientations and faith which are characteristic to certain national-state units and ethnic groups. It has the direct relations with the religion existing in that society. L. E. Palich, P. W. Hom, R. W. Griffeth (1995) asserted that the famous Japanese productivity comes from the experience of Japanese enterprises, maximizing the loyalty to their company. The results of the research stimulated international investigation in the field of identity. In order to achieve loyalty to their motherland, some famous companies praise the company's values with the aim to remind the employees of their organization's citizenship. It has been proved by the research that the usual culture of partnership doesn't alone restrict and destroy various national cultural identities which exist in multinational companies. K. Fladmoe-Lindquist, L. L. Jacque (1995) say that in order to develop trade and services in other cultures, firstly it is necessary to be aware of differences which exist among foreign customers and be able to co-operate with employees in overseas subsidiaries, having in mind that the ethics of their work exists in different language, mentality, and cultural traditions. It has also been found out that the greater the cultural distance between the headquarters and the newly established subsidiary in another country is, the greater is the uncertainty in relations with overseas employees. S. H. Park, G. W. Ungson (1997) investigated the loyalty of members of international organizations. The most popular explanation says that international companies are less stable and the employees are less loyal than of those working for national companies. However, the research carried out by authors couldn't prove it. On the contrary, due to cultural differences these companies used to work more efficiently because the best features of cultural differences had taken over. The employees were stimulated mostly by economic motivation, common actions and close relationship.

According to D. Ulčinskaitė (ed., 2000) the social consequences caused by the process of globalization might be estimated in three ways. Firstly, increasing

employment due to abundance of general working power. Because of increasing working power in well developed countries, the general number of vacancies, working hours and employees having full-time jobs is constantly going down. Secondly, the constantly growing scale of deformation of economic activity due to general integration of finance, economics and culture as well as the rising international working power mobility: more people have temporary, forbidden jobs and avoid paying taxes. Thirdly, because of the importance of increasing global problems in controlling inside matters, tendencies ought to be taken into consideration from outside, which cause a gap between inner demands spoken up by the society and the government which finds it necessary to combine it with the requirements from outside. R. Lekavičienė (2000) states that different cultures create different situations for individuals and take them into systems of different pressure. Culture also brings difference into subjective interpretation of reality. It is said that the objective of cross-cultural research shouldn't be the attempt to explain the phenomenon of culture but it should prove that culture influences the behaviors and the way of thinking of an individual. V. Liubinienė (2002) according to Berger singles out four features of modernization:

1. Disappearance of small, traditional communities.
2. Appearance of possibilities for personal choice. Due the influence of traditions, people are becoming unrestricted.
3. Variety of faiths.
4. Thoughts about future.

Advantages and Disadvantages for Lithuania after accession to EU

V. Legkauskas (2000) makes forecasts on the future of Lithuanians in the European Union. The EU declares solidarity of all cultures, equal opportunities for representatives of all cultures, promotes internal communication and co-operation. If this idyllic picture comes true, after fifty years the saying "I am Lithuanian" would have the same meaning for a speaker as today it has the saying "I was born in Šančiai" (one of Lithuanian's cities region), but this is not bad. Perhaps, the author specified rather too short period of time needed to assimilate us in the common mix of European nations. I would dare to state that this process will certainly take much more time, besides it is difficult to believe the idyllic picture will come true.

Therefore it is highly important not only to prepare for the accession in Lithuania itself, but also to carry active work abroad promoting the advantages of the country. In further development of this topic we present some thoughts of T. W. Schultz (1998). The author noted that countries with high-income level while assisting countries with low-income level in increasing the efficiency of their economies make some serious mistakes. Firstly - investments to human capital are not given priority, i.e. there are no investments in the education on school and higher levels, in the health care of society. People of low-income countries themselves give priority to the aforementioned issues in spite of their limited income. At present

there is some emphasis on certain disputed issues in education system: too many specialist are prepared, too many certain professions are duplicated in a number of universities. Are these accusations reasonable? To my opinion, it is not. The more educated the nation, the better its economic achievements. Even if at present we cannot boast of high economic results, the more educated people we shall have, the higher probability that they would establish companies and create new jobs. The educated people are more flexible, they better understand the needs of organisation and as employees they mostly are initiative, seeking for knowledge and tolerant to diversities in opinions. By the way, instability and social conflicts in the society has caused the formation of new attitudes towards relationships among generations and towards the place of young people themselves in the social structure (K. Šerpetis, 1997). When there are no conflicts in the development of society, the younger generation rather consistently intercepts the values, beliefs and stereotypes of the elder generation, i.e. respective level of mutual identification is achieved and sustained. However during the time of changes such inter-relation is broken. That is why the questions arise. Will the young generation facing the rapidly changing social roles be able to take the niche designed for it in the social structure? What will be the ideals and values of the contemporary generation entering the stage of independent life in the state and society of Lithuania, what prospects for self-realization will the society create for the generation that is brought up in the dynamic and dramatic conditions of contradictory socialisation? I am convinced that it depends on the inter-relation between the individuality of the young generation itself and the maturity of social environment, which each time creates a unique social and historical situation. As A. Kazlauskienė (2001) notes, there is fear that such phenomena as “brain leak” from the country will become a serious problem in the process of Lithuania’s integration to the Western structures. When Lithuania is a member of the EU and Lithuania’s citizens are granted the same rights of free employment in the EU member countries as the citizens of the EU, this could cause the vast wave of emigration of highly qualified (and not only) labour force from Lithuania. The number of emigrants will depend on the fact whether people perceive the signs of positive changes in economic-social situation of their country in the nearest future.

On the basis of the provided data we can formulate the following advantages and disadvantages for Lithuania after the accession.

Advantages: open borders for free movement of goods and services; free movement of people; national safety; economic necessity: the more open the country, the higher economic benefits; cheaper goods because of competition – in benefit for a consumer; broader attitude towards different phenomena, better knowledge about other European nations and countries; investments into the economy of Lithuania;

Disadvantages: emigration of qualified Lithuanian specialists to other EU countries; precedence of the EU laws could have a negative impact on Lithuania (e.g.

closing of Ignalina power plant); threat to loose the national identity; higher competition for local companies; possible use of Lithuania only as a new market; possible use of Lithuania as a source of qualified but cheap (comparing to the EU) labour force; problems due to religious, cultural differences; disdainful attitude of economically strong EU countries towards Lithuania.

On the other hand, the EU will gain the following advantages and disadvantages because of Lithuania's accession:

Advantages: a new market; qualified labour force; more enthusiastic, dexterous people; Lithuania as a "bridge" to the Eastern markets; increased territory of the EU – a competitive advantage against the USA and Eastern countries.

Disadvantages: the EU will support the weaker economy of Lithuania; possible problems due to religious, cultural differences; high emigration of unemployed people to the EU countries, which should spend more on social benefits; possible increase of the crime level.

Theoretical Analysis of Lithuanian Features

B. Melnikas (1998) emphasizes that Lithuania is as a bridge "East – West". The transformation process here is constant, because the understanding of the phenomenon should be related not only with dissemination of Western experiences, models and standards Eastward but also with the opposite-direction process when the Eastern traditions influence the transformation process. As we endeavor to identify the character of the Lithuanian nation through customs and traditions, perception and view of the world, we come to understand what it meant to be Lithuanian. By adopting and preserving the basic cultural traits of the Lithuanian nation we can remain Lithuanian even while residing far from Lithuania, our country of origin. But the most important national mark of a Lithuanian does not simply know Lithuanian customs and traditions (through this helps to remain close to one's origins). A Lithuanian's most vital national trait is the Lithuanian language. A. D. Smith (1995) singles out two meanings of "nation": nation as a "natural" historical unit and nation as a concrete political objective or ideal. In fact ethnic nation is an old historical and cultural derivative often religious in its origin and always closely linked with the rhythm of "nature". It evokes the feeling of collective ethnocentrism: attachment to one's ethnic-genetic community, settled in its area. The other is of a modern, revolutionary and unique rationalistic concept – a political ideal characteristic to the century of enormous changes. Thus the national feeling becomes ideology competing with other ideologies and being different due to its strong relationship with its "in-born" collective emotion which has always enriched ethnic association. Only mature national culture is corresponding the requirements of present civilization can deal with social pressures. Lithuanian countryside and climate also influence personality and character of a Lithuanian (L. Šimanskienė, 2002b). Slow temper, melancholia might be explained by the lack of the sunlight. Short period of vegetation forces a farmer to stay at home, dream and trust the destiny. Lithuanians don't belong to the nation

of sailors nevertheless, they live by the sea. Sad and nostalgic songs are common to lowlanders. Lithuanian nation developed as the nation of woods and forests. Lithuanian countryside brings the feeling of lyrics; the nature awakes feelings, not thoughts. Lithuanian lack of enthusiasm, laziness might be explained as a peculiar relation with nature, climate, and the stereotype formed by the landscape which provides with characteristic features of dreaminess, lyricism, sadness. R. Račiūnaitė (2002) discovered that the autonomy in rural community was not of great importance. There prevailed the dominant opinion in the nation's consciousnesses that only those are happy and successful who keep to the customs of their ancestors. In the centre of the village community there is the family and the characteristic restraint seeking for material wealth not for oneself, but to help others. They were one of the most distinct cultural features developed in the family of a traditional rural community. According to S. Juknevičius (2002) research these are already altered values, because only 29% of respondents in 1999 said that public work brings benefit in comparison to 47% of respondents in 1990. D. Mitrikas and others (1999) notes that the Western ideology pays greater attention to one's personal needs—health, creative work, travels and money and the values of the state, nation and family have been losing their importance. While the highest values in the world outlook of Lithuanians are: family, wealth, money, moral virtues, wisdom, belief in God, nation; and the least important are: the state, travels, and friends. According to D. Ulčinskaitė and others (2000) Lithuanian people lack the following features: self-independence, honesty, the sense of responsibility, ability to socialize, efficiency, ability to form a team and manage it, initiative, ability to gather facts and make analysis, ability to co-ordinate performance. R. D. Lewis (2002) says, that Lithuanians have the following specific features like hospitality, family, honesty, love of nature, saving national identity, romanticism. L. Šalčiuvienė, V. Auruškevičienė (2002) revealed ten the most important cultural values characteristic to all ethnic groups in Lithuania: family orientation, social recognition, risk, power and wealth, freedom, physical and financial security, job, health, true friendship, flexibility. S. Juknevičius' (2002) investigations revealed attitude towards competition: competition is positive as it stimulates people to work better and search for new ideas. 56% of respondents approve of the idea, though the numbers of approving respondents have diminished in comparison to 73% of respondents in 1990. This shows that people still are afraid of taking responsibility for their lives and prefer waiting for the help from the government as if the statesmen can and must be responsible for everyone's material welfare. According to the results of the research payment is the most valued at work in contrast to responsibility which is the least valued among Lithuanian people. In author's opinion our working conscientiousness in fact is of the same level like farmers and handicraftsmen. L. Šimanskienė's (2002a) research demonstrated that responsibility is one of the most typical features of a Lithuanian. Why are the results of research different? It might be explained by having asked respondents different questions with different formulation of ques-

tions. However, the lack of initiative is demonstrated by all results of research. It is rather complicated to compare the data because of different methods and methodology used; respondents were given different lists of values which are partly similar and it rather complicated to make detailed comparison, nevertheless the general values are nearly the same.

The Research on Typical Features of a Lithuanian

While planning the research it is necessary to choose the minimal number of respondents in order to make statistically reliable conclusions. Selective methods are based on the probability theory, though it is impossible to avoid mistakes in selection, unless all the population took part in the research. In scientific research 95% is reliable (K. Kardelis, 1997). As Ch. Nachmias, D. Nachmias (1985) maintain, it takes 385 respondents from 10,000 people in order to get 5% of false answers. So we have inquired 1050 respondents to our opinion this is a sufficient number to get reliable answers (out of general number of population of 3,490,800 according to the data of 2001). The data of the questionnaire was processed by SPSS (Special Package for Social Science) program with the one-factorial dispersal analysis (ANOVA) because variables are evaluated applying the rating scale.

To carry out the research, the questionnaire was prepared with the list of typical features according to the ones singled out by other authors. The respondents were asked to rate them by the rate of importance where 7 points went to the most typical feature while 1 point – to the least typical one. In the formulated questions both positive and negative alternatives for the answers were given. 1050 respondents filled in the questionnaire (in 2003): 396 men and 654 women of different age, background and position. 13 respondents – with unfinished secondary education, 121 – with the secondary education, 88 – secondary education and profession, 312 – higher education, 486 – with university diploma and 30 students. By age: 39 – under 20; 343 – from 21 to 30; 353 – from 31 to 40; 209 – from 41 to 50; 90 – from 51 to 60; and 16 older than 61. By position at work: 72 – top managers, 157 – middle managers, 103 – lower rank managers; 508 – professional workers; 83 – technicians, 83 – workers, 39 – unqualified workers.

The general opinion about typical Lithuanian features is described in table 1 (it is shown average of answers, 1 – least important features, 7 – very important features).

There is no big difference among average points in assessment. The respondents mentioned the dominating features of jealousy (5.8), diligence (5.7), hospitability (5.7). Showing initiative (3.8) and trust in others (3.9) seem to be the least important. The most trusted by Lithuanians institutions are – the Church and mass media – both of them are only news-providers however have no real authority to make decisions and impact the contemporary life. The most Lithuanians mistrust all institutions having real authority (L. Šimanskienė, 2004a). Mistrusting people are less active. In tables 2 and 3 we can see some information about Lithuanians point of view to other nationalities in organizations.

Table 1. Typical Features of a Lithuanian

Features	Assessment
Showing initiative	3.8
Honesty	4.1
Fairness	4.2
Responsibility	4.6
Diligence	5.7
Trust in others	3.9
Hospitality	5.7
Modesty	4.8
Love of motherland	4.6
Individualism	4.3
Independence	4.6
Lack of enthusiasm	4.2
Obedience	4.9
Conservatism	5.1
Jealousy	5.8
Selfishness	5.1
Admiration for strangers	4.6
Punctuality	4.8
Sense of humour	4.7

Source: L. Šimanskienė, 2004a, p. 92.

How we see the most respondents answers are positive and they haven't noticed any problems (79.87 percent) in communication with other nationals. 13.21 percent of respondents mentioned that diversities help to solve problems in organizations. In summarizing all research: those who deepen knowledge like competing, they think that Lithuania does not need examples of other countries and

Table 2. Is a work collective multinational?

	Percents
No	47.70
There are some representatives of other nationalities	47.37
There are representatives of different nationalities	4.93

Source: L. Šimanskienė, 2004b, p. 45.

Table 3. Communication problems with other nationals

Attitude	Percents
Diversities help	13.21
Diversities cause a lot of problems	6.92
I haven't noticed any problems	79.87

Source: L. Šimanskienė, 2004b, p. 46.

that informal communication is not a necessary feature of leaders – to this group belong persons who have already acquired education, who work in lower positions and younger people. Those who value traditions prefer working in groups, are proud of their country, do not see any problems in working with foreigners and are of elder age. Those who like working in groups are more punctual, expect informal communication with leaders, and are proud of their country and like working with foreigners. Those who are in lower positions are more punctual. Those who are in higher positions have better education and younger persons more like competing; also men more value competition. Those who like informal communicating with leaders love their country do not see any problems in working with foreigners. Those who are proud of their country think that Lithuania needs other country's example (mostly mentioned Scandinavia, especially Sweden, also Ireland) and are more willing to work with people of other nationalities. Men more tend to think that Lithuania needs other country's example. There are more young people working in multi-national collectives and they have no communication problems. Younger men more tend to answer that there are no communication problems. All this interpretation can be presented from the other side (e.g. those who are not engaged in additional learning do not consider competition as positive; they more prefer informal communication of leaders, etc.).

Research on attitudes towards the personal qualities necessary for managers/leaders

Another research was performed with task to know personal qualities necessary for managers in 2004. 1034 respondents filled in the questionnaire: 378 men and 654 women. By position at work the respondents ranged as follows: the top-level managers accounted for 5.59% of the total number of respondents, middle-level managers – 17.76%, lower level managers – 14.80%, specialists – 45.72%, technicians – 8.88%, workers – 7.24%. By age the respondents ranged as follows: under 21 year – 4.28%, from 21 to 30 years – 29.61%, from 31 to 40 years – 29.28%, from 41 to 50 years – 27.63%, from 51 to 60 years – 8.55%, over 60 years – 0.66%. In order to assess what qualities are necessary for a manager, leader of a team, the questionnaire was prepared with the list of twenty different qualities; the respondents were asked to rate them, where 1 point went to the least needed quality and

7 points – to the most needed one. The average values of the results are: the respondents defined obedience (3.53) and conservativeness (3.49) as the least needed qualities for a manager, leader while the most needed qualities ranged as following: ability to make decisions (6.87), to solve conflict situations (6.81), skill of being organized (6.75), skill of understanding other people (6.72), responsibility (6.70), showing initiative (3.53). If to compare the results with the qualities necessary for a manager, leader as defined by R. Blake, J. Mouton (1985) – showing initiative, ability to handle information, solving of conflict situations, critical analysis – we can see that these results are quite similar. These are the qualities which respondents mentioned as the most needed for a effective manager, i.e. exactly these qualities except: critical analysis, being informed and defending his/her own opinion – as the latter were not included into the questionnaire. Perhaps independence, which was rated at 6.29 points is a similar feature and can in part correspond to defending of his/her own opinion; and responsibility (6.70) – to critical analysis. So, in part we can state that respondents' answers about effective management correspond to managerial elements defined by R. Blake, J. Mouton (1985).

The results are also interesting, if to compare differences in respondents' attitude towards traditions and changes depending on their posts. It should be emphasized that managers/leaders must react to changes in their environment, they should be interested in looking for and implementing of innovations, however in order to avoid mistakes it is necessary to learn from the past. Experience should help in striving for innovations but should not turn into the source of conservativeness.

So, as we see in table 4 – even 94.12 % of the top level manager maintain that when assessing changes it is necessary to look at the past; no one top level manager was only on behalf of traditions. Workers (13.64) and lower level managers (13.33) are the most conservative while middle level managers (20.37) and techni-

Table 4. What do you value more?

	Traditions	Changes	When assessing changes one needs to look at the past
Top level manager	0.00	5.88	94.12
Middle level manager	1.85	20.37	77.78
Lower level manager	13.33	13.33	73.33
Specialist	3.60	17.27	79.14
Technician	7.41	25.93	66.67
Worker	13.64	9.09	77.27

Source: Šimanskienė, L. 2005, p. 32.

cians (25.93) more tend to emphasise only changes. The analysis shows that similar results should have been expected, because it is the top level managers who form the strategic trend of organisation therefore the broader approach is seen by them as more important, while the lower level personnel are performers who want clear regulations and as a rule when facing changes they fear uncertainty; although results of the research in general are excellent as representatives of all positions have positive attitude towards changes and even 77.27 workers and 73.33 of lower level managers state that when assessing changes it is necessary to look at the past.

Other investigated issue was how respondents' attitudes towards competition differ due to their position; it is showed in table 5. The results show that even 88.24 % of top-level managers maintain that competition is necessary as it is a driver of development while technicians (29.63%) and specialists (23.74%) who maintained that hate pressure, were the most unsatisfied with competitive relations. Competition as a driving factor was rated with the highest points by the top-level (88.24%) and middle level managers – these results show that managers/leaders of organisations understands necessity of looking for ways leading to better performance and allowing for more effective decisions. It is worth to mention an interesting fact that workers' attitude towards competition is more favourable (63.64%) comparing to the attitude of lower level managers, technicians, specialists. It seems the middle-level managers are more afraid of losing their jobs.

Table 5. Competition

	Competition is necessary as it is a driver of development	I hate pressure	It's OK, when I am not involved
Top level manager	88.24	5.88	5.88
Middle level manager	77.78	16.67	5.56
Lower level manager	60.00	20.00	20.00
Specialist	61.15	23.74	15.11
Technician	48.15	29.63	22.22
Worker	63.64	18.18	18.18

Source: Šimanskienė, L. 2005, p. 33.

Conclusions

The globalization process taking place in the world with all their advantages and disadvantages determine sudden geopolitical, economical, technological and cultural changes, which inevitably affect European Union, the economical space of which Lithuania intends to integrate in, so at the same time they affect Lithuania

as well. Due to the changes in the thinking the independence will be increasing as people will gain more self-confidence and expect less from the state; having learned the EU rules the niches for adaptation will be found; broader attitude towards the world both in cultural and in economic aspects will be formed; equal opportunities both in the EU countries and Lithuania will come into effect. The results of the opinion pools carried out in the course of research have shown that the major part of respondents are in favour of Lithuania's accession to the EU. However there is a small part of respondents who are doubting or against the accession to the EU and they give the following arguments: rules imposed by bureaucrats from Brussels; we are not needed there; nobody waits for us; we are useful only as a new market; too high, sometimes even unrealistic requirements, e.g. closure of Ignalina Nuclear Power Plant, are demanded; Lithuania has not been prepared for the different changes and still needs more time to prepare; after a decade since accession Lithuania ceases to exist, we shall live as in a slavery. Those who are in favour of the accession give the following reasons that to their opinion have benefits for Lithuania: the economic situation of the country will improve as producers will be able to sell freely their production in other countries; more jobs will be created because of more foreign investors; opportunity of legal work in other countries; ensured security of the country; having joined the forces we are useful for all countries; more serious attitude towards Lithuania (as a "successful" country).

There is no big difference among average points in assessment. The respondents mentioned the dominating features of jealousy (5.8), diligence (5.7), hospitality (5.7). Showing initiative (3.8) and trust in other (3.9) seem to be least important. The institutions trusted by Lithuanians the most are – the Church and mass-media – both of them are only news-providers however have no real authority to make decisions and impact the contemporary life. The most Lithuanians mistrust all institutions having real authority. Mistrusting people are less active.

The results have shown that obedience and conservativeness were attributed by the respondents to the least needed manager's/leader's qualities while the most needed ones were: ability to take decisions, to solve conflict situations, skill of being organized, skill of understanding other people, responsibility, showing of initiative. If to compare the results with the qualities necessary for a manager, leader as defined by R. Blake, J. Mouton (1985) – showing initiative, ability to handle information, solving of conflict situations, standing for his/her own opinion, ability to make decisions, critical analysis – it was corroborated that in part we can maintain that the respondents' answers about effective management correspond to managerial elements as defined by R. Blake, J. Mouton (1985).

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Natalia Sypion-Dutkowska

Impact of the Systemic Transformation on the Threats to Public Safety in Poland

The systemic transformation as well as globalisation and Europe's unification prop up most of the changes in contemporary Poland. Both conditions and consequences of the changes are so diversified and complex that they are a welcome subject to scientific deliberation in various aspects. One of these aspects is multidisciplinary research on threats to public safety.

This article aims at putting forward and conducting an orderly review of hypotheses regarding the impact of the systemic transformation in its political, economic and social aspects on environmental, social, medical and technical threats to public safety.

The systemic transformation in Poland

The systemic transformation is considered to be a set of processes and changes occurring in politics, economy and society as a result of the collapse of the Soviet Blok in the late eighties of the 20th century (M. Dutkowski, T. Michalski, I. Sagan, T. Strykiewicz, 1999).

The systemic transformation takes on the following:

1. Political aspects:
 - a. the collapse of the Soviet Blok and decay of the totalitarian political system; the expansion of NATO and EU;
 - b. setting up the foundations of a democratic state of law.
2. Economic aspects:
 - a. restoration of private property and market economy;
 - b. monetary, financial, tax, banking and insurance reforms;
 - c. free flow of capital, goods and technology.
3. Social aspects:
 - a. free flow of people and information; intensification of international contacts among people and organisations;
 - b. popularisation of consumer lifestyle;
 - c. increase of unemployment, poverty and social stratification.

Threats to public safety

All human beings and every society are surrounded by and are constantly aware of threats which come both from the environment and anthropogenic sources. Threats to our life are in fact as old as mankind. It all started with threats stemming from forces of nature which up to this day constitute dangers we cannot eradicate or fully resist.

If certain areas of social and public life are taken into account then the following kinds of threats are distinguished: economic, internal, psychological (psychosocial), ecological and military (P. Tyrała, 1999).

Development of civilisation, particularly with respect to industrial activities, has brought about threats generated by man whose conduct and products are far from being ideal. We are surrounded by various and numerous threats mainly of unknown and most often of low incidence whose effects can hardly be predicted. Moreover, we often seem to be unaware of some of them. There is no such phenomenon as a 'zero risk' activity. Production, processing, transport, storage – are only a few examples of activities which are never 100% safe. Development of civilisation, new technologies, settlement in areas previously considered unsafe (e.g. river valleys) make society still more and more exposed to risk (J. Żurek, 1999). Threats, as understood above, tend to concentrate in big cities (T. Horlick-Jones, 1995).

The feeling of safety seems to be the opposite of the feeling in living under threat (J. Spiechowicz, 2000). Roughly saying, safety is felt when the level of threat is relatively low. To show it in graphic terms the following conceptual model may be drawn (Figure 1):

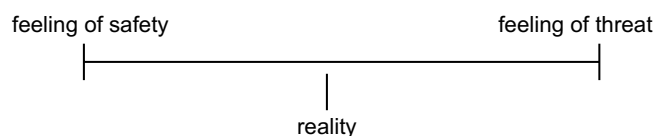


Figure 1. Model of safety awareness

Source: P. Tyrała, 2000 (Rys. 1, p. 12).

This is a typical model suitable for sociological research. It is based on a segment of straight line where the both ends denote two contrary phenomena. A person subject to research shows the point which subjectively describes the reality at the moment of carrying out the research. The statement is not stable as the whole process of denoting safety awareness is dynamic.

Simple lists of threats lead to complex sets of dangers which do not allow of an explicit answer stating which feeling of threat should be considered to be one consistent entity. On the contrary, threat awareness incorporates numerous threats coming out of different phenomena existing around us. The problem a researcher

faces consists in lack of possibility of drawing up a consistent and closed list of existing threats. Therefore any list of threats should be regarded as open (cf. U. Beck, 2000). A general classification of threats may include:

1. Extraordinary threats – unexpected events or situations which develop dynamically posing danger to people's health or life. Such events require immediate counteractions with the use of all measures available to effectively protect human health and life as well as property and the environment.
2. Constant threats – dangerous events or situations which exist continuously (e.g. ozone 'hole') or which can be expected within a yearly cycle (e.g. severe winter) or which occur as a result of planned events (e.g. mass public events), bringing negative effect on human health or life, property or the environment. They require counteractions with the use of locally available measures remaining at local governments' disposal to effectively protect human health and life, property and the environment.

An additional classification of threats distinguishes four types of threats in relation to their sources. According to this classification there are environmental, social, medical and technical threats. Only those threats which occur in Poland have been taken into account. Range of incidence, length of duration, frequency, negative effects on people, infrastructure and the environment, cost of counteractions and other accompanying threats have been defined for each of the types of threats. Duration and frequency have not been defined for constant threats as they are, by definition, permanent.

Local threats in Poland are counteracted at the level of gminas as the cost of compensation for damage or inflicted loss is not significant. Poviats and voivodships are responsible for covering destructive effects of threats on a regional scale. They have average financial means at their disposal. Threats on a national scale require big financial means provided by the national budget whereas threats of international importance are dealt with by international funds capable of covering losses on a huge scale.

Environmental threats

Threats to human life, health or property which are caused by the environment are called environmental threats. They result from extreme or catastrophic natural phenomena or from improper exploitation of natural resources. For the use of this paper the author has made an assumption that extraordinary environmental threats occurring in Poland may be restricted to floods, severe winter and strong wind (see A. Lisowski, 1993). Their scale varies from local to national. Their duration is also varied; the bigger they are the longer they last. They occur rarely but are dangerous for people and their property. They cause less damage to the environment than to infrastructure. Another extraordinary threat is severe winter. Its consequences can be done away with in a few months. The cost of counteractions is either small or average (Table 1).

Table 1. Extraordinary environmental threats

Environmental threats	Scale/range	Duration	Frequency	Effects exerted on			Duration of effects	Cost of removal/counteraction	Accompanying threats
				People	Infrastructure	The environment			
Flood	from local to national	weeks/months	several times a year	heavy toll of life, light casualties, disturbance of daily routines	damage to buildings and technical infrastructure, possessions and property, farms (equipment and livestock)	damage and destruction to crops, water contamination	a few years to several years	average/big	land slides, robberies, epidemic diseases, areas of poverty
Severe winter	regional/national	months	twice a year/a few years	heavy toll of life, disturbance of daily routines	dislocation of air, land and water traffic; increased number of road accidents, disturbance to technical, social, service and production infrastructure	freezing of crops, plants, forests	months	small/average	flood, building catastrophe
Strong wind	local/regional	Hours	several times a year	heavy toll of life, light casualties, disturbance of daily routines	breakdown of mains electricity, damage done to buildings and property, dislocation of traffic, malfunctioning of technical and service infrastructure	degradation of trees	months/several years	small/average	building catastrophe

Source: author's own analysis.

Constant environmental threats

This paper analyses the following threats: acid rain, excessive or improper use of chemicals in agriculture, the ozone 'hole' and global warming (green house effect). Most often they appear to be global problems and therefore cause serious damage to the environment lasting for many years. The ozone 'hole' is the most dangerous to people as it inflicts numerous diseases which can hardly be cured, epidemic diseases and allergies (A. Aase, G. Bentham, 1994). The green house effect results in the greatest number of indirect threats which can hardly be avoided (Table 2).

Social threats

Social threats affect human health, life and property as well as the environment. They are caused by negative effects exerted by people on other people or public organisations. These threats may come in the form of:

- well organised or spontaneous social groups using terror;
- permanent disorder of economic and political balance.

For the purpose of this paper the following phenomena are regarded as extraordinary social threats: wars, terrorism, riots, mutinies, economic and political crises. Their territorial range and frequency are varied and therefore they may

Table 2. Constant environmental threats

Environmental threats	Scale/range	Effects inflicted on			Duration of effects	Cost of removal/counteraction	Accompanying threats
		People	Infrastructure	The environment			
Acid rain	from local to international	irritation of skin and eyes	damage inflicted on surfaces, walls of buildings and metal constructions	acidifying of soil and water, degradation of the environment, Waldsterben ('death of the forest'), landscape degradation	many years	from small to big	flood
Excessive or improper use of chemical substances in agriculture	local	poisoning and its aftereffects, allergies	–	soil erosion, contamination of soil and water, putting soil and water out of use, eutrophication of water reservoirs, devastation of the environment	many years	small	–
Ozone 'hole'	international	eye diseases (glaucoma, cataract), skin diseases (cancer), weakening of the immunity system (viruses and parasites)	–	decrease in agricultural produce, untoward climatic changes, intensification of the green house effect, degradation of plants (foliage)	hundreds of years	very big	epidemics, allergies
Global warming (green house effect)	international	–	necessity of building dams, protective measures to safe buildings	Increase in average temperature, intensification of extreme natural phenomena, ASLR – makes the sea level rise, ecological balance disrupted	hundreds of years	very big	flood, building catastrophe, strong wind, severe winter

Source: author's own analysis.

take on different values – from the smallest to the greatest. These are considerable groups of people rather than property that find themselves at the receiving end of negative effects. Casualties are frequent in such cases. If infrastructure suffers then living conditions of the population deteriorate. Extraordinary social threats rarely affect the environment. They occur relatively rarely in small areas (Table 3).

Constant social threats include: areas of permanent underdevelopment and poverty, crime, mass public events. They occur on a small scale, except for crime which takes place all over the world. Permanent social threats greatly affect social welfare, deteriorate health conditions, lead to social bonds being weakened or broken. Sometimes social threats result in death. Living conditions get worse mainly due to property devastation and environment degradation (Table 4).

Medical threats

Medical threats affect human health and life. They come from diseases (especially epidemic diseases) road accidents and poisoning. They require special medical treatment.

Only severe cases of epidemic diseases are considered to be extraordinary medical threats. They are characterized by rapid development. They occur very

Table 3. Extraordinary social threats

Social threat	Scale/range	Duration	Frequency	Effects inflicted on			Duration of effects	Cost of counteraction	Accompanying threats
				People	Infrastructure	The environment			
Wars	national/ international	Weeks/ years	once a decade or more	Heavy toll of life, light casualties, disabled people, refugees, orphans, broken social bonds	Damage and destruction of production infrastructure and buildings	mines planted, chemical contamination of buildings and local areas	more than ten years	big or very big	economic crisis
Terrorism	local	hours	once a few days/ years	heavy and light casualties	Destruction of buildings	chemical contamination of buildings and local areas	months	average/big	wars, economic crises
Riots and mutinies	local	days/ weeks	once a period of several years	Heavy and light casualties	damage, devastation, robbery	–	day/ weeks	small/average	Terrorism
Economic and political crises	national/ international	months	once a period of several years	poverty, disruption of social bonds	fall of property value, neglected maintenance of buildings and infrastructure	–	a few or even more than ten years	big or very big	riots, mutinies

Source: author's own analysis.

Table 4. Constant social threats

Social threats	Scale/range	Effects inflicted on			Duration of effects	Cost of counteraction	Accompanying threats
		people	infrastructure	the environment			
Areas of permanent underdevelopment and poverty	local/regional	social depravation, lack of education, bad health conditions	bad condition of buildings and infrastructure	excessive use of resources, emissions as a result of lack of preventive measures	more than ten years	big or very big	riots, mutinies, protest
Crime	from local to international	casualties, weakening of social bonds	loss of property	crime against the environment may occur	more than ten years	from small to very big	terrorism
Mass public events	local	heavy casualties, wounded	damage/ devastation of buildings	damage done to green areas, litter	a few days	small/average	riots

Source: author's own analysis.

rarely while their territorial range varies from local to international. The length of time varies from very short to very long. Although a great number of people are involved suffering serious health consequences including loss of life, the environment is left intact. Duration of effects is insignificant. They are not accompanied by other threats (Table 5).

An assumption has been made that constant medical threats include: 'benevolent' epidemic diseases, road and industrial accidents, poisoning, cancer, AIDS, inflammation of the liver (type A, B, C, D), allergies and diseases of blood circulation. Their range varies from local to international. They mainly affect health,

Table 5. Extraordinary medical threats

Medical threats	Scale/range	Duration	Frequency	Effects inflicted on			Duration of effects	Cost of counter action	Accompanying threats
				people	infrastructure	the environment			
'Acute' epidemic diseases	from local to international	from a few weeks to a few months	once every several years	Short-term serious disease or death threatening a great number of people	infected patients need isolation	–	from a few weeks to a few months	average	–

Source: author's own analysis.

being fatal in some cases. They hardly have any impact on the environment or local infrastructure. Their duration is of considerable importance as they may last as long as several years. Cost of compensation varies from very low to extremely high. Medical threats are the only ones that are not accompanied by any other threats (Table 6).

Technical threats

Technical threats affect human health, life and property and the environment. They are caused by industrial processes, basic and supplementary products and their improper use as well as excessive use of technical devices, machinery and materials.

Extraordinary technical threats include: a breakdown of a nuclear power station, leak of sewage, gas or poisoning substance, maritime and aeroplane catastrophes

Table 6. Constant medical threats

Medical threats	Scale/range	Effects inflicted on			Duration of effects	Cost of counteraction	Accompanying threats
		people	infrastructure	the environment			
'Benevolent' epidemic diseases	from local to international	short-term disease of a great number of people	–	–	from a few weeks to a few months	small	–
Road accidents	from local to international	casualties, disability, death	damage or loss of property	–	from a few days to a few years	from small to big	–
Poisoning	from local to international	short-term disease, death	–	–	weeks/months	small	–
Cancer	national	long-term disease, disease	–	–	from a few years to several years or decades	very big	–
AIDS	from local to international	long-term disease, death	infected patients need isolation	–	from a few years to several years or decades	big	–
Inflammation of liver (type A,B,C,D)	national	long-term disease	–	–	from a few years to a few decades	big	–
Allergies	international	long-term disease	special facilities and equipment of buildings	changes to green areas of towns	from a few years to a few decades	very big	–
Circulatory diseases	national	long-term disease, death	–	–	from a few years to a few decades	very big	–

Source: author's own analysis.

explosions and building catastrophes. These threats are most often single events which occur rarely and last for a short time. They cause very serious damage to all kinds of infrastructure including various buildings. Extraordinary technical threats disrupt people's daily routines (e.g. evacuation), cause diseases and heavy casualties. They also result in the environment being seriously damaged, mainly by contamination of the local area. Except for a nuclear power station breakdown all other technical threats cause damage which do not last long. Usually financial measures remaining at the disposal of gminas, poviats and voivodships are sufficient to counteract such threats (Table 7).

Constant technical threats dealt with in this paper include emissions contaminating surface and ground water receptacles, atmosphere as well as smog, noise, vibrations caused by traffic, harmful emissions from legal and illegal rubbish dumps, electromagnetic radiation caused by electricity mains, broadcasting stations and other radioactive substances and devices.

Table 7. Extraordinary technical threats

Technical threats	Scale/ range	Duration	Frequency	Effects inflicted on			Duration of effects	Cost of counteraction	Accompanying threats
				people	infrastructure	the environment			
Nuclear power station breakdown	international	hours/ days	once a few years	radiotoxemia, disability, epidemic diseases, heavy casualties	destruction of buildings, partial damage and irradiation of infrastructure	long lasting irradiation of the area, contamination of water, desertification	up to hundreds of years	very big	fires
Sewage or gas emissions as a result of mains breakdown	local/ regional	hours/ days	a few times a year	poisoning, heavy casualties	damage to production facilities, buildings and infrastructure	contamination of local areas	from a few weeks to a few years	small/average	explosion
Leak or release of toxic substances	local	hours	a few times a year	poisoning, heavy casualties	contamination of buildings and infrastructure	contamination of local areas	from a few years to a few decades	small/average	fire/explosion
Maritime catastrophe	local	hours	a few times a year	light and heavy casualties	destruction of the property	local contamination of the sea	weeks/ months	small/average	emissions contaminating surface water
Aeroplane catastrophe	local	hours	a few times a year	light and heavy casualties	damage to property, dislocation of air traffic	contamination of atmosphere	weeks/ months	small/average	fire, explosion
Fire	local	hours	a few times a year	disruption of daily routines, evacuation, light and heavy casualties	damage to property, buildings and infrastructure	degradation of the surrounding area	months/ years	small	explosion, building catastrophe
Building catastrophe	local/ regional	hours	once a few years	light and heavy casualties	destruction of property, buildings and infrastructure	–	weeks/ months	from small to big	fire, explosion, flood
Explosion	local	hours	a few times a year	disruption to daily routines, evacuation, light and heavy casualties	destruction of property, buildings and infrastructure	degradation of the surrounding area	months/ years	small	fire, building catastrophe

Source: author's own analysis.

Table 8. Constant technical threats

Technical threats	Scale/range	Effects inflicted on			Duration of effects	Cost of counteraction	Accompanying threats
		people	infrastructure	the environment			
Emissions contaminating surface water	local/ regional	harmful impact on human health, diseases, degradation of recreation areas	necessity of building water processing plants and monitoring systems	worse quality of drinking water, contamination of water, insects spreading over the area as disease carriers, disruption of ecological balance, degradation of the environment, eutrophication of water receptacles	months/ a few years	Small/average	emissions contaminating ground water, epidemic diseases
Emissions contaminating ground water	regional	harmful impact on human health, diseases of alimentary canal, cancer	necessity of building water processing plants	disruption of ecological balance	a few years/ more than ten years	big	emissions contaminating ground water, epidemic diseases
Emissions contaminating atmosphere	local/ regional	harmful impact on health, diseases of respiratory system and nervous system, skin inflammation, cancer	damage to buildings and infrastructure	depletion of the ozone layer, global warming, degradation of plants and trees	a few years/ more than ten years	average/big	smog
Smog	local	harmful impact on human health leading to its deterioration and death	damage to buildings and infrastructure	contamination of atmosphere, build up of photochemical smog	days/weeks	small	epidemic diseases, allergies
Noise and traffic vibration	local/ regional	impairment of hearing, vibration syndrome	damage to buildings and infrastructure	preventing animals from migration, scaring them away	a few years	Small/average	building catastrophe
Emissions coming from legal and illegal rubbish dumps	local	smell, methane, contamination of waste liquid	necessity of monitoring harmful processes	soil and water contamination, degradation of aesthetic and landscape features	a few years	small	explosion, fire
Electromagnetic emissions generated by electricity mains	national/ international	harmful impact on human health	–	–	a few years/ more than ten years	big/very big	–
Electromagnetic emissions generated by broadcasting stations and transmitters	national/ international	harmful impact on human health	–	–	a few years/ more than ten years	big/very big	–
Radiation emissions generated by radioactive installation	national/ international	harmful impact on human health	–	–	a few years/ more than ten years	big/very big	–

Source: author's own analysis.

Constant technical threats lead to a general deterioration of living conditions, mainly by degradation of the environment and damage done to infrastructure. Almost all technical threats exert a harmful effect on human health contributing to its deterioration. Constant technical threats usually bring about lasting effects. It may take from a few to more than ten years to get rid of them. Constant technical threats are accompanied by many other threats (Table 8).

An attempt at recapitulation

While working on this paper an assumption was made that the systemic transformation in Poland may have either positive or negative influence on public safety. Positive influence is understood as soothing and toning down all threats and their effects whereas negative influence is meant as generating and worsening them. The systemic transformation in Poland has brought about various forms and procedures of 'the state of law' on local, national and international levels. They are accompanied by information being made more accessible to the public,

Table 9. Soothing and toning down impact of the systemic transformation on threats to public safety in Poland

Aspects of the systemic transformation	Threats soothed and toned down			
	Environmental	Social	Medical	Technical
POLITICS				
Collapse of the Soviet Blok. Decay of totalitarian system. Expansion of NATO and EU	acid rain, ozone 'hole', global warming			nuclear power station breakdown, harmful damage emissions, traffic catastrophe
Introduction of democratic state of law	acid rain	war, terrorism, riots, mutinies, economic and political crises, crime		permanent harmful emissions affecting the environment
ECONOMY				
Restoration of private property and market economy	acid rain and chemicals used in agriculture	political and economic crises		permanent harmful emissions affecting the environment
Monetary, financial, tax, banking and insurance reforms	flood	political and economic crises		permanent harmful emissions affecting the environment
Free flow of capital, goods and technology	flood, severe winter, acid rain, ozone 'hole', green house effect	political and economic crises	road accidents, cancer, AIDS, allergies	nuclear power station breakdown, harmful emissions affecting environment, damage emissions, catastrophes
SOCIETY				
Free flow of people and information, intensification of international contacts among people and organisations	flood	Wars	cancer, AIDS, allergies, circulatory diseases	nuclear power station breakdown
Spreading consumer lifestyle				
Increase of unemployment, poverty and stratification of society				

Source: author's own analysis.

increase of social awareness and widespread application of modern and safer technology.

The systemic transformation in Poland affects positively all groups of threats in all their aspects (Table 9). The most positive phenomena have resulted from capital, goods and technology freely coming into the country. All four groups of positive aspects show here tangible links and connections. Aftereffects of the transformation have the most soothing impact on environmental phenomena, especially on flood threats. Multifunctional impact of the transformation have mostly affected social threats, such as economic and political crises, so typical of 'real socialism' before the collapse of the previous system in Poland. Thanks to free exchange of technology and goods, not to mention improved international relations, it is possible to more effectively fight social diseases. As far as technical threats are concerned limiting a possibility of a nuclear power station breakdown seems to be the most significant.

The systemic transformation in Poland also contributes to generating new threats to public safety as well as worsening old ones (Table 10). These threats are mainly related to public matters which remain under the influence of various transformation processes, such as local wars (as the threat of a global conflict has recently been ruled out), terrorism and crime. Making consumer lifestyle more

Table 10. Generating and worsening impact of the systemic transformation on public safety in Poland

Aspects of the systemic transformation	Generated and worsened threats			
	Environmental	Social	Medical	Technical
POLITICS				
Collapse of the Soviet Blok. Decay of totalitarian system. Expansion of NATO and EU		wars, terrorism, riots, mutinies, crime		
Introduction of democratic state of law		riots, mutinies, mass public events		
ECONOMY				
Restoration of private property and market economy		areas of permanent underdevelopment and poverty		
Monetary, financial, tax, banking and insurance reforms				
Free flow of capital, goods and technology		terrorism, crime		
SOCIETY				
Free flow of people and information, intensification of international contacts among people and organisations		terrorism, crime	'acute' and 'benevolent' epidemics, AIDS	
Spreading consumer lifestyle	acid rain, ozone 'hole', global warming	terrorism, crime	road accidents, cancer, AIDS, allergies, circulatory disorders	permanent emissions affecting the environment
Increase of unemployment, poverty and stratification of society		terrorism, crime	liver inflammation (type A,B,C,D), poisoning	

Source: author's own analysis.

common leads to an increase in all groups of threats, from global environmental threats to intensification of social diseases.

The characteristics of the impact of transformation processes on different threats is to some extent ambiguous and therefore cannot be defined as entirely good or bad. However, the character and extent of positive effects undoubtedly prevail over bad effects. Citizens of the countries carrying out transformation processes live in a safer world. At the same time one should remember that, paradoxically enough, the general feeling is quite the opposite. Most people think that freedom and democracy have brought about more risk than safety and peace.

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Maciej Tarkowski

Territorial Differentiation of Sensitivity to Socio-Economic Results Following Garrison Closures in Poland

Introduction

The downfall of socialism in the Middle and Eastern Europe led in the last decade to considerable socio-economic changes in numerous countries of the region. Paving the way from Council for Mutual Economic Aid and Warsaw Treaty Organization to the European Union and North Atlantic Treaty Organization is symbolic of such changes. Most of the countries which belonged to the former socialist bloc are now members of NATO. Several countries are going to join the European Union in 2004. This turn of events in politics and economic conditions required a costly transformation of the economy.

Poland is one of the leaders of this process. The basic transformation of the economy was carried out in the early 90s including intensive privatization of the state-owned firms and development of enterprise. The above mentioned changes laid the foundations of the dynamic economic growth of the mid 90s. An attempt to reform the public administration and public service sectors was made in the late 90s. Further reforms concerning administrative division of the country, social insurance, education and health service were implemented.

The structural reform of the economy and a new geopolitical situation necessitated radical changes in the army. Low budgets allocated to the army year by year contributed to further reductions of the staff in all kinds of military forces. At the same time the Polish Army had to be reorganised and dislocated as a result of joining the NATO. These changes have been carried out according to the government legislation called "The programme of restructuring and technical modernisation of military forces in the years 2001-2006". The programme, among other things, predicts the complete closure of 71 military garrisons.

The main aim of this paper is to define sensitivity of local socio-economic systems to the process of garrison closures. This sensitivity is a derivative of the current economic situation of a given area, quality of human resources, distance to big cities as well as the importance of a garrison for the local economy which can be defined on the basis of relations between the size of the existing military units and the size of the entire local economy (this relation can be defined, for example, as a relation of the number of workplaces in both entities).

Functioning of a military garrison in a given area has a few socio-economic implications. Military units, to function properly, employ a certain number of professional soldiers and civil workers in peacetime. The remuneration paid to the employees, especially to officers, is more or less the same or exceeds the average pay in the country. Consequently, a military garrison contributes to an increase in demand for goods and services on a local market which may lead to creating new jobs in the civil sector. In smaller towns officers are part of local intellectual elite affecting functioning of the whole local society. Another aspect of a garrison's functioning, which may be conducive to the development of a local economy, is securing a garrison's social and economic needs. The type of services required by garrisons is very often rendered by the civil sector – including even security services offered by specialised civil firms.

Garrison's functioning is not free from negative economic effects. First of all they result from garrisons being unable to introduce more effective ways of functioning. This problem refers mainly to areas which are attractive for civil investors but there are not many garrisons undergoing closure programmes on potentially attractive sites.

The analysis which has been carried out shows considerable differences among analysed areas with regard to their demographic situation, labour market, economic activity, educational potential, standard of living and communications accessibility.

Such varied features of the areas which have been or are being left by the armed forces lead to different results of garrison closures. In some towns the results of closures are hardly noticeable whereas in other towns bring about serious social and economic problems. For example, attractive areas left by military troops are likely to be used for economic purposes, thus bringing economic benefits to the local community – local authorities without such favourable circumstances may not find any financial means to activate leftover areas.

Methodology of research

In order to assess sensitivity of local socio-economic systems to the process of garrison closures particular spacial units were assigned to the selected types of areas (J. J. Parysek, 1982). The research covered 67 gminas (part of administrative division – urban and rural areas) belonging to 64 poviats (part of administrative division). There are 71 garrisons located on these areas which are to be closed down. The socio-economic situation was characterised with regard to closure results as well as possible ways of their alleviation. The analysis of each spacial unit covered six aspects: the demographic situation, labour market, economic activity, educational potential, standard of living and communications accessibility. Each aspect included two or three features which could take three levels: low (-1), average (0) and high (1).

Summarising indicators were also calculated for each economic aspect. In this way a basis for a general indicator was formed to reflect an overall area's degree of sensitivity to the loss of jobs and income connected with garrison closures.

Table 1. Typology criteria of areas with regard to sensitivity to garrison closures (data for 1999)

Aspect	Feature	Level of administrative division
Demographic situation	Population growth 1996 – 1999 (1996 =100)	gmina
	Predicted population growth 1999 – 2030 (1999 = 100)	powiat
	Urbanisation indicator (%)	powiat
Labour market	Unemployment rate (%)	powiat
	Number of unemployed persons	powiat
Economic activity	Number of firms set up by individuals (per 10 thousand inhabitants)	gmina
	Employed persons	powiat
Educational potential	Number of secondary schools (per 10 thousand inhabitants)	powiat
	Percentage of secondary and post-secondary schools	powiat
Standard of living	Income from shares in taxes constituting state revenues (refers to income tax on individuals) (PLN per capita)	gmina
	Social care expenditures (PLN per capita)	gmina
Transport accessibility	Access to town of 100,000 inhabitants (distance in km, quality of transport communication)	gmina
	Access to metropolis (distance in km, quality of transport communication)	gmina

Source: author's own analysis.

Indicators, except for communications accessibility, were analysed on two levels: powiat level and gmina level. It depended on how a certain aspect spatially affected each area. Local labour market issues or secondary education issues are typical of powiat, whereas, for example, local governments' finances refer mainly to gminas (Table 1).

The above presented features give information about a wide range of circumstances affecting the socio-economic situation in areas of garrison closures. A demographic situation is characterised by population growth, balance of natural increase in population and balance of migration. In the long term the demographic situation informs how attractive setting down in a given area is and how individual inhabitants pursue their careers and life goals. Areas without prospects for the future force young people to flee. A negative balance of migration results, in the long term, in a population ageing and a decrease in natural population growth. A level of urbanisation shows the importance of a local urban centre and indirectly informs about its labour market, namely how closely it is related to non-agricultural activity, how diversified it is and how much it is concentrated.

The factual level of unemployment directly characterises a labour market. The rate of unemployment indicates the severity of the situation for a given labour market. The number of the unemployed people shows the scale of the problem in case it is solved from outside. For example, in a scarcely populated rural area with a high unemployment rate the actual number of unemployed persons may be far less than in a big city where the unemployment rate is low. In the first case

building a new plant or closing down another one may seriously affect the level of unemployment, whereas in the second case such a change may remain unnoticeable.

Economic activity measured by means of the number of self-employed persons per 10 thousand inhabitants shows not only a climate of enterprise but also indicates the accumulation of experience of local people. Loss of jobs defines the local labour market's sensitivity to such changes.

Educational potential throws light on possibilities of acquiring new qualifications.

Institutional potential is measured by the number of secondary schools. Schools of adult education have not been taken into account, as they are principally based on the existing school network. Organizing schools for adults requires certain structural changes rather than setting up new schools from scratch. Another important indicator is the number of schools providing their students with certificates of secondary education. This kind of education leads to a broader choice of vocational options. At present, basic vocational education (training) does not offer much choice. Most of those who finish this kind of education become unemployed.

Standard of living reflects the income which is a share of the state tax revenues coming from individual citizens. Another indicator used in this paper is a level of poverty measured by the size of social security expenditures. These indicators show how closures of garrisons may affect local budgets.

Communications accessibility reflects possibilities of using, first of all, educational services of a higher degree and better developed labour markets in big cities, particularly in the biggest cities subject to processes which are typical of metropolises (Kraków, Łódź, Poznań, Trójmiasto, Warszawa, Wrocław) (B. Jałowiecki, 2000).

Types of areas

As a result of applying a typology based on the above mentioned criteria ten types of areas of different sensitivity to garrison closures have been sorted out. The least sensitive areas represent type A whereas the most sensitive have been classified as type I (Figure 1).

Only two areas fall under type A – gmina Komprachcice in powiat opolski and Grodzisk Mazowiecki (Figure 1). Four out of six aspects show high level of development and the other two are of average level (Table 2). Both areas are marked out by a good labour market situation and a high standard of living. The overall situation in these areas promises bright prospects for socio-economic development.

Grodzisk Mazowiecki as part of Warsaw agglomeration enjoys a good demographic situation and communications accessibility. It is attractive as a settlement area and at the same time takes advantage of all facilities offered by a capital city with metropolitan qualities, i. e. Warsaw.

Table 2. Socio-economic characteristics of Type A areas

Gmina	Demographic situation	Labour market	Economic activity	Educational potential	Standard of living	Communications accessibility	Total
Grodzisk Mazowiecki	1	1	0	0	1	1	4
Komprachcice	0	1	1	1	1	0	4

Source: author's own analysis based on Central Statistical Office data.

Komprachcice also takes advantage of lying close to a big city and regional capital. It is, however, situated far away from metropolitan centres. Its attractiveness includes good educational potential and a high level of economic activity. A combination of these two aspects makes this area very flexible in terms of adapting itself to changing circumstances and economic needs.

Type B is made up of five areas: city of Bochnia, Góra Kalwaria, gmina Puck, Rudniki and Władysławowo (Figure 1). All these areas are marked out by a high level of development of three aspects and an average level of development of the other three aspects. All of them are characterized by a good situation on their labour markets. Other qualities of these areas are good communications accessibility (except for Rudniki which has a big educational potential) and a high stan-

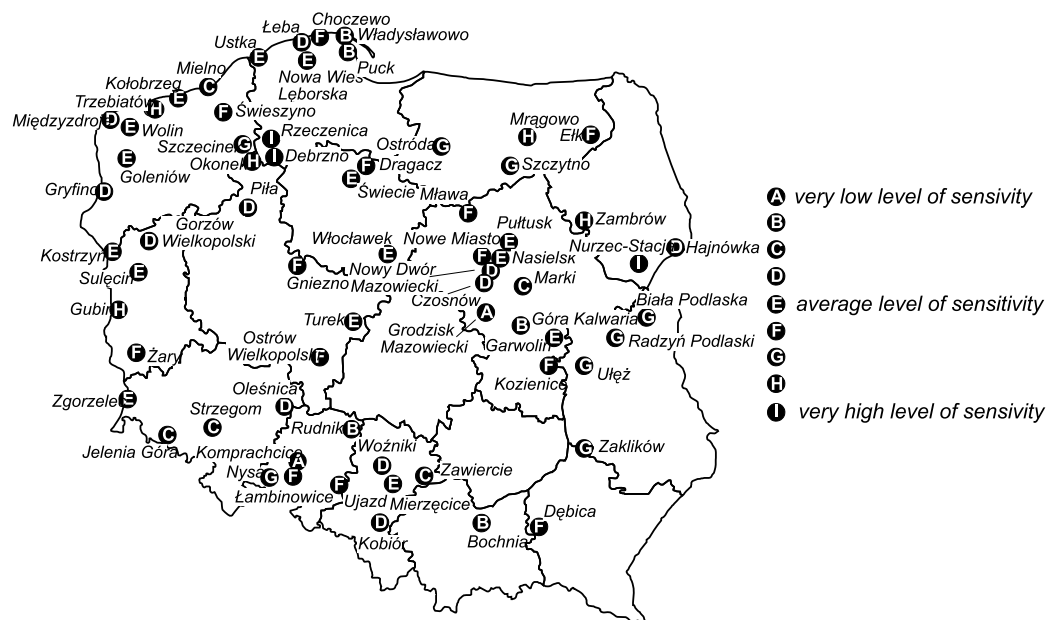


Figure 1. Typology of areas with regard to sensitivity to socio-economic consequences of garrison closures

Source: author's own analysis based on Central Statistical Office data.

Table 3. Socio-economic characteristics of Type B areas

Gmina	Demographic situation	Labour market	Economic activity	Educational potential	Standard of living	Communications accessibility	Total
Bochnia city	0	1	0	0	1	1	3
Rudniki	0	1	0	1	1	0	3
Góra Kalwaria	0	1	0	0	1	1	3
Puck (rural area)	0	1	0	0	1	1	3
Władysławowo	0	1	1	0	0	1	3

Source: author's own analysis based on Central Statistical Office data.

dard of living (except for Władysławowo which enjoys a high level of economic activity) (Table 3).

A stable development of the analysed areas is secured by the co-existence of the three aspects mentioned above. A good communications accessibility of some areas to metropolises is particularly important as the metropolitan centres generate a big and diversified market as well as a wide educational offer. This, in turn, conditions a good situation on local labour markets which influence the standard of living of local inhabitants.

Type C is also made up of five areas: Jelenia Góra, Marki, Mielno, Strzegom, Zawiercie (Figure 1). These areas are characterized by a high level of development of three aspects, average level of two aspects and a low level of one aspect. An alternative assessment indicates a high level of development of two aspects and an average level of the remaining four aspects (Table 4).

As the table shows three areas: Jelenia Góra, Mielno and Strzegom, enjoy a high level of economic activity and big educational potential. However, Mielno and Strzegom face a difficult situation on their labour markets. In Strzegom's case its advantageous location in relation to Wrocław cannot offset a difficult labour market. A high standard of living and good communications accessibility are advantages of Marki and Zawiercie. Although Marki is a part of Warsaw agglomeration, it has little educational potential. Marki's inhabitants use Warsaw's educational facilities.

A well-developed secondary school system combined with a high economic activity make an area's socio-economic infrastructure sufficiently flexible. A good communications accessibility and a high standard of living are usually a result of the influence big metropolitan cities draw on such towns.

Table 4. Socio-economic characteristics of Type C areas

Gmina	Demographic situation	Labour market	Economic activity	Educational potential	Standard of living	Communications accessibility	Total
Jelenia Góra	0	0	1	1	0	0	2
Mielno	1	-1	1	1	0	0	2

Source: author's own analysis based on Central Statistical Office data.

Table 5. Socio-economic characteristics of Type D areas

Gmina	Demographic situation	Labour market	Economic activity	Educational potential	Standard of living	Communications accessibility	Total
Gorzów Wielkopolski	0	0	1	1	-1	0	1
Gryfino	0	0	0	0	0	1	1
Hajnówka city	0	1	0	1	0	-1	1
Międzyzdroje	0	0	1	1	0	-1	1
Łeba	0	0	1	0	0	0	1
Woźniki	0	1	0	-1	1	0	1
Czosnów	0	0	0	-1	1	1	1
Nowy Dwór Mazowiecki	0	0	0	-1	1	1	1
Oleśnica city	0	0	0	0	0	1	1
Piła	0	0	1	1	0	-1	1
Kobiór	0	1	0	-1	1	0	1

Source: author's own analysis based on Central Statistical Office data.

Type D is represented by 11 areas (Figure 1). It is typical of them to have one more highly developed aspect in comparison with the number of aspects weakly developed. Eight areas have two well-developed aspects and one aspect of low development (Table 5).

Well-developed aspects include: educational potential (4 cases), standard of living (4 cases), labour market (3 cases) and economic activity (3 cases).

Four areas in the discussed group are characterized by a low educational potential and three other areas show a low level of communications accessibility.

The above table shows three areas of an average level of five aspects. These areas present only one highly developed aspect. In Gryfin's and Oleśnica's cases it is communications accessibility whereas Łeba prides itself on economic activity based mainly on tourism. Areas of the discussed type are characterised by a rather stable socio-economic situation. Even if one aspect is unfavourable there are two other aspects which are advantageous and may prevent the bad situation from worsening. All areas of type D do not show any difficulties within their labour markets. A low standard of living affects only one town.

Type E is the most common. It includes 15 areas (Figure 1). It is typical of them to have as many well-developed aspects as poorly developed. Three variants may be distinguished within the described situation (Table 6):

- all aspects are average in terms of development;
- there is one weak and one strong aspect;
- there are two weak aspects and two strong aspects.

Three cities, i.e. Garwolin, Goleniów and Turek, show average values for each of the aspects.

The second variant embraces eight areas. In three cases the most developed feature is communications accessibility, while in another three cases standard of living is in the lead. The two remaining cases have an average level of educa-

Table 6. Socio-economic characteristics of Type E areas

Gmina	Demographic situation	Labour market	Economic activity	Educational potential	Standard of living	Communications accessibility	Total
Mierzęcice	0	0	0	-1	1	0	0
Garwolin city	0	0	0	0	0	0	0
Goleniów	0	0	0	0	0	0	0
Kostrzyn	0	0	1	1	-1	-1	0
Wolin	0	0	0	1	0	-1	0
Kołobrzeg (rural area)	0	0	0	1	0	-1	0
Nowa Wieś Lęborska	0	0	0	0	-1	1	0
Nasielsk	0	0	0	-1	0	1	0
Pułtusk	0	0	-1	0	0	1	0
Ustka (rural area)	0	-1	1	1	-1	0	0
Sulęcín	0	1	-1	1	-1	0	0
Świecie	0	0	0	-1	1	0	0
Turek city	0	0	0	0	0	0	0
Włocławek city	0	-1	1	1	-1	0	0
Zgorzelec city	0	0	0	0	1	-1	0

Source: author's own analysis based on Central Statistical Office data.

tional potential. Three out of eight cases are characterised by a low level of communications accessibility.

The third variant refers to four areas: Ustka (rural area), Włocławek (city), Kostrzyn and Sulęcín. Włocławek and Ustka suffer from a difficult situation on their labour markets and a poor standard of living. On the other hand these two areas are economically very active and are supported by a high level of educational potential. Kostrzyn is also based on its educational potential as well as economic activity. It has an average situation on its labour market but its communications accessibility is poor. Sulęcín has the same standard of living and educational potential as Ustka and Włocławek, but as far as their labour markets and economic activity are concerned, the situation is quite opposite – Ustka and Włocławek show unfavourable labour market conditions and a high level of economic activity.

Areas of this type reveal an average level of sensitivity to garrison closures. However, the situation they are in is diversified and requires individual approach to solve their problems. Areas whose aspects are of average development display a wide range of decisions to be taken and activities to be carried out. The problem lies in lack of clear prerequisites for choosing an appropriate variant. As far as areas of diversified development of particular aspects are concerned ways of reaction are determined by actual levels of resources which should be adroitly taken advantage of.

Type F is represented by 13 areas (Figure 1). All of them show one more 'weak' aspect in comparison with the number of 'strong' aspects. Each of ten areas have five aspects of average development and one aspect of low level development. Poorly

Table 7. Socio-economic characteristics of Type F areas

Gmina	Demographic situation	Labour market	Economic activity	Educational potential	Standard of living	Communications accessibility	Total
Dębica city	0	0	0	0	0	-1	-1
Elk city	0	-1	0	1	0	-1	-1
Gniezno city	0	0	0	0	-1	0	-1
Świeszyno	0	-1	0	0	0	0	-1
Kozienice	0	0	0	-1	0	0	-1
Mława	0	0	0	0	0	-1	-1
Łambinowice	0	-1	0	0	0	0	-1
Ostrów Wielkopolski city	0	-1	0	0	0	0	-1
Nowe Miasto	-1	0	0	0	0	0	-1
Ujazd k. Kędzierzyna	0	1	-1	-1	0	0	-1
Dragacz	0	0	0	-1	0	0	-1
Choczewo	0	0	0	-1	-1	1	-1
Żary city	0	0	0	0	0	-1	-1

Source: author's own analysis based on Central Statistical Office data.

developed aspects are usually labour markets and educational potential (each of them refers to four cases) and communications accessibility (3 cases) (Table 7).

Three areas include two 'weak' aspects and one 'strong' aspect. Elk, for example, has a developed educational potential, whereas Ujazd near Kędzierzyn has developed its local labour market. Good communications accessibility is a feature of Choczewo which lies near Tricity agglomeration.

Areas of this type represent almost average level of socio-economic development. Unfortunately, those aspects which are poorly developed are most often related to difficulties in finding a job or training unemployed inhabitants.

When making employees redundant is the case then new barriers arise forcing them to look for suitable jobs possibly in a new profession.

Type G is represented by 8 areas (Figure 1). There are two more poorly developed aspects when compared with highly developed aspects. Six areas do not show any well-developed aspects. In four of them labour markets and communications accessibility are in a difficult situation (Table 8).

Radzyń Podlaski has to cope with a difficult demographic situation and poorly developed secondary education. Another area, gmina Zaklików, is marked by a low standard of living of its inhabitants.

Two areas of the discussed type enjoy well-developed educational potential. However, they reveal a low standard of living, poor communications accessibility and a difficult demographic situation (Ułęż) or troublesome labour market (Szczecinek).

Seven out of eight areas of this type are located peripherally which makes solving unemployment problems very difficult. Coping with the closure of a garrison may only add to the existing problems. In case there is no external economic

Table 8. Socio-economic characteristics of Type G areas

Gmina	Demographic situation	Labour market	Economic activity	Educational potential	Standard of living	Communications accessibility	Total
Biała Podlaska city	0	-1	0	0	0	-1	-2
Nysa	0	-1	0	0	0	-1	-2
Ostróda city	0	-1	0	0	0	-1	-2
Radzyń Podlaski city	-1	0	0	-1	0	0	-2
Ułęż	-1	0	0	1	-1	-1	-2
Zaklików	0	0	0	0	-1	-1	-2
Szczecinek city	0	-1	0	1	-1	-1	-2
Szczytno (rural area)	0	-1	0	0	0	-1	-2

Source: author's own analysis based on Central Statistical Office data.

aid coming from the state, regional authorities or private investors – local communities may not manage the burden put on them.

Type H is represented by five areas (Figure 1) where socio-economic circumstances are bad with regard to three aspects (or four aspects, but in such a case one of them is advantageous). All of the areas are characterized by poor communications accessibility and a low standard of living. Additionally, two areas are marked by a high unemployment rate (Trzebiatowo, Gubin).

Another two areas have poor educational potential (Mrągowo, Okonek). Zambrów, besides its poorly developed education, suffers from little economic activity which remains in contrast with a relatively good situation on its labour market (Table 9).

Areas of the described type constitute one more group of places whose endogenous potential is far too insufficient to induce economic growth and alleviate social shortcomings without a tangible external help. Gubin will soon lose its border town significance as a difficult situation on German labour market is not likely to raise local inhabitants' standard of living. Considering Mrągowo's situation it is worth noticing its two popular entertainment events attracting crowds

Table 9. Socio-economic characteristics of type H areas

Gmina	Demographic situation	Labour market	Economic activity	Educational potential	Standard of living	Communications accessibility	Total
Trzebiatów	0	-1	0	0	-1	-1	-3
Gubin city	0	-1	0	0	-1	-1	-3
Mrągowo city	0	0	0	-1	-1	-1	-3
Zambrów city	0	1	-1	-1	-1	-1	-3
Okonek	0	0	0	-1	-1	-1	-3

Source: author's own analysis based on Central Statistical Office data.

Table 10. Socio-economic characteristics of type I areas

Gmina	Demographic situation	Labour market	Economic activity	Educational potential	Standard of living	Communications accessibility	Total
Debrzyno	0	-1	0	-1	-1	-1	-4
Rzeczenica	0	-1	0	-1	-1	-1	-4
Nurzec - Stacja	-1	1	-1	-1	-1	-1	-4

Source: author's own analysis based on Central Statistical Office data.

of tourists. These events are perhaps the only beneficial enterprises which are not enough to enable Mrągowo to compete with other tourist centres of the region. Trzebiatowo has a similar disadvantage of poor environmental conditions as it lies between attractive Kołobrzeg and famous Międzyzdroje.

Type I comprises only three areas (Figure 1): Debrzyno and Rzeczenica (which lie in Człuchowski powiat) and Nurzec - Stacja gmina (which lies in Siemiatycki powiat). Debrzyno and Rzeczenica show an average demographic situation as well as a middle-level economic activity. All other aspects are at a low level of development.

The analysed areas are of peripheral location and therefore the settlement action taken after 1945 brought poor results. Most of scarce jobs were created in State Agricultural Farms (PGRs) which went under increasing unemployment figures. A long distance to big urban centres and poorly developed infrastructure deteriorate bad economic conditions. Education in the area seems to be one more disadvantage, as it is still based on vocational training schools (Table 10).

One of Nurzec's characteristics is a low level of development of all aspects with the exception of its labour market which is in a good situation. It is connected with the number of farms owned by single farmers and their families. This number is bigger than the national average. The majority of such farms is capable of meeting farmers' basic economic needs. In this way formal unemployment figures are relatively low and there is little chance of further urbanization of the area. Consequently, there are no favourable conditions for private enterprise. The area is of peripheral significance although it lies not far away from Warsaw. This close proximity to the capital city causes a permanent outflow of young people who find it easier to settle down in a big city rather than in rural areas.

The areas described above are counted among the poorest in Poland. Jobs have always been scarce there, particularly in non-agricultural sectors. Most of the exciting jobs have been connected with the public sector. Whether garrisons are to be closed down or not, these areas need an external support. If not given any help the majority of people who lose their jobs locally will have to look for work in other areas.

Conclusions

According to the conducted analysis the socio-economic situation of the areas where garrison closures take place is highly differentiated. Apart from areas ly-

ing close to big cities and agglomerations with well-developed labour markets and economic infrastructure there are other areas which have been able to keep up their economies thanks to co-operation with local garrisons. The ongoing process of garrison closures brings about numerous threats to local communities. If socio-economic conditions are identified soon enough to undertake preventive measures, then the discussed areas may be given a chance to succeed in tough economic competition.

The severity of the effects of garrison closures does not depend on an area's sensitivity alone, but is also related to the scale of the closure. An area of an average importance may hardly react to the closure of a regiment, whereas the liquidation or shifting a brigade to a new place may cause effects comparable with the closure of a small garrison located in a peripheral and economically neglected area.

Negative consequences of a garrison closure mainly result from two factors: one is the socio-economic situation and the other one is the size of resources under closure (number of jobs, the size of the site, infrastructure, broken co-operative links, etc.). Lack of detailed information about the scale as well as limited access to certain characteristics of closures made it necessary to divide garrisons into three groups corresponding roughly to the size of a brigade, regiment and sub-unit¹.

The most sensitive areas of types H and I may seriously react even to closures of small garrisons. Such areas are usually of peripheral significance and are characterized by difficult socio-economic conditions. They face serious problems connected with creating new jobs or re-training workforce. Furthermore, they are not attractive enough to find strategic investors.

Areas of types F and G are in a relatively better socio-economic situation than the previous ones. However, they also suffer from shortage of jobs and poor educational infrastructure. Most of them are situated far away from big labour markets. Closures of garrisons of the size of regiments or bigger military units may undermine local labour markets. As a result, garrison closures lead to a deterioration of socio-economic conditions.

Types D and E enjoy an average or slightly over-average socio-economic situation. Most of such areas do not have any serious problems related to labour markets. Additionally, they have well-developed secondary education or have easy access to relevant educational facilities. A few cases of economic effectiveness have also been noted. These areas are sensitive only to closures of big garrisons – of the size of brigade.

The remaining areas are economically and socially strong enough to cope even with closures of big garrisons. Their economic development is resistant to resulting changes. Most of such areas are in close proximity to big cities and offer

¹ It does not matter if a closure concerns, for example, a brigade or another military unit. What really matters is the number of lost jobs corresponding to a brigade, similar size of the infrastructure, etc.

a high standard of living. Military units stationed there do not play a decisive role in a local economy.

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Oana-Ramona Ilovan

Năsăudului Land in “after – 1989” Romania: Between Effervescence and Decline

The History of Năsăudului Land before and after 1989

Năsăudului Land points out to an ethnographical space by definition, a mental space¹, to which man may belong through his structure of the mind (of what he thinks and the way he thinks) and of his heart (through the way he “feels” everything around him on a day to day basis).

In *the building up* of Năsăudului Land as a spatial entity, several factors have intermingled: the natural, the historical, the administrative, the functional and the mental one. The last two, in this row, are the most important. This is because, although Năsăudului Land has been parted, in various periods, into distinct units, the polarisation of the valleys by the Someşului Mare Corridor has been strong and permanent at the mental, and, partially, at the economic and social levels (e.g. the peoples’ unity during difficult events). So, the criteria we have taken into account, when *delimiting this region* are the mental, the morphological, the ethnographic, the ethnic, the language, the historical and the functional ones (e.g. Năsăudului Land as a polarised region).

The cause of the limits’ flexibility, in time and space, is the appearance of the *political, social and economic changes* that have determined the reorientation, through adjustment, of the material and spiritual fluxes, thus resulting (a) new cultural communions, as well as (b) the stability and fortifying of the old relations. Then, due to a certain *geographical determinism* induced by morphology, the fluxes of mass and interests have been always oriented towards the Someşului Mare Corridor. We may draw the conclusion that the natural and historical conditions have been either favourable or imposed restrictions that have led to the individualising of a space with specific material and spiritual features.

¹ “Romania is one of the few European countries where the special unit of language, practically with no dialects, and spoken by an overwhelming population which exceeds 90%, covers such a great number of territorial subdivisions, each with a distinct material and spiritual identity. Nevertheless, the common binder, that is the language, did not hinder the separate development of these distinct and well-defined “lands”/ “countries”, situated on both sides of the Carpathian summits. Consequently, each human community of these regions projected a peculiar and distinct image of the surrounding world, developed other laws, and cherished different aspirations”. – P. Cocean, N. Cianga, 2000, p. 199.

The input-output relations, between the region and the neighbouring regional systems, lead to the conclusion that Năsăudului Land is an open system, having thus the possibility of creating and maintaining a status of dynamic equilibrium – a self-reproductive system.

Past and Present in Năsăudului Land

Năsăudului Land appeared as a system, first, by offering a space with a certain potential for ensuring peoples' living, whose gravitation centre is the Someșului Mare Valley.

The natural factors, defined as the basis that sustains the demographical component and the settlements (the action and the interaction factor) have co-operated, that means a constructive action, to make this space permanently inhabited by human communities that have individualised themselves through an original mentality, of strong peoples, of survivors and winners. This type of mentality has been induced by the functionality, in time, of this regional system, at the social and economic levels.

The natural geographical potential has been exploited in an adaptive and balanced manner by the human component, so that a traditional co-operation has developed between the two components of the environment, which are obviously interrelated. *The anthropic premises* (historical, social and economic factors) have been characterised by favourability that conditioned the peoples' settling, the diversification of the settlements and their affirmation and individualising through specificity. Each of Năsăudului Land geographical environment's components has been an important factor in attracting the population. A demographical synergism has been present, where "the memory of the earth" (both of the places and of the people) has built an easily recognisable *cultural pattern*.

Năsăudului Land, as a regional system, is the result of the unitary genetic evolution of the people, a common historical evolution that is to be identified at the level of delimiting the "land" at the level of the peoples' conscience, at the level of the feeling of belonging to their places. The region has resulted during a process during which the settlements have associated with one another into social, economic and political structures. Thus the "land" appears as a *stock structure* where the peoples' spirituality, manifested into traditions, can be recognised as original by the inhabitants of the neighbouring regions (Maramureșului Land, Lăpușului Land, and Dornelor Land). At the same time, Năsăudului Land has manifested itself as a *dynamic structure*, where the internal and external interactions have created strong cohesion, at all the levels where the Man-Nature relation manifests itself, as well as between the inhabitants of this regional community.

Nature has printed its sign deeply in the heart and mind of the people of Năsăudului Land. The harmony of the natural environment, doubled by the unity of social, economic and ethnographical features has created Năsăudului Land – a region where the material and spiritual features are combined and organically

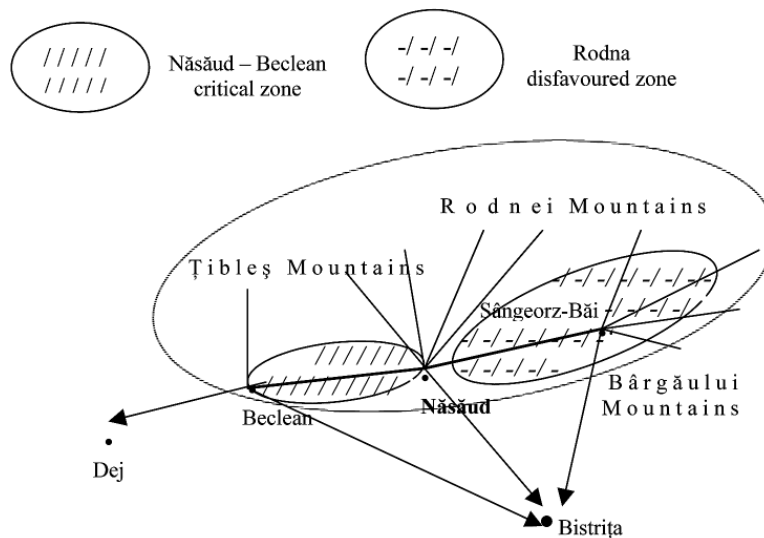


Figure 1. Năsăudului Land – the functional features of a polarised regional entity, in contemporary Romania

Source: author's own analysis.

integrated. The peoples' traditional occupations are agriculture (shepherding) and forestry. The subsoil resources have supported the development of the mining activities, these also contributing from the 13th century to attracting the population to certain areas. Therefore, we may affirm that the natural resources and the human activity have supported harmoniously the functioning of this system.

While creating the desirable profile of the region as a functional territorial system, we have taken into account the following principles (P. Cocean, 2005, p. 147–149): the principle of the efficient exploitation and use of the local resources (both the natural and the anthropic ones); the territorial equilibrium; the building up of a functional regional system; the principle of the optimal connections to the neighbouring territorial entities; the principle of the comparative advantage; the ecological principle. Following this theoretical context and knowing the reality, we have identified several *polarising nuclei* in Năsăudului Land (Figure 1). The criteria we have taken into account are the cultural traditions and the social and economic orientation, imposed during the historical evolution of the region.

According to the criterion of polarisation, while having in view the determining factors, such as the location of the schools, the location of the hospitals, of the administrative offices, of the commercial units and the circulation of persons and goods (J. Benedek, 2003, p. 151), one can surely notice that Năsăudului Land is a region polarised by three urban centres: Năsăud (a rank I polarising centre), Beclean (rank II), and Sângeorz-Băi (rank III).

The centrality of Năsăud town is determined by two conditions: (1) better infrastructure in comparison with all the other settlements of the regional system

and (2) a more favourable spatial position (on the hydrographical and circulation convergence axes in the Someşului Mare Corridor, on the river's larger meadow and on its terraces). J. Benedek (2003, p. 157) affirms that these two elements are sufficient and determining for the periodical population afflux towards a settlement situated on a superior development level.

While classifying the urban entities, we have excluded Bistriţa (the main administrative centre of the county), situated outside the analysed territory, but which has a strong social and economic influence upon the territory polarised by Năsăud and Sângeorz-Băi, while the town of Beclean is oriented towards Bistriţa and Dej – at the functional level – and towards Năsăud – at the cultural, mental level.

Nevertheless, cultural Năsăud is the one that has governed the entire germinator process of beliefs specific to the peoples of the region, beliefs and way of life that have been manifested in the feeling of belonging to the other inhabitants of the region and to the known places. The cultural, ethnographical function is the one that has guided the building up of the structure of Năsăudului Land thus rendering it coherent. The coordinate of historical, social and cultural evolution has been the most important for the mental cohesion of the people.

From an *economic perspective*, the attractivity of Năsăudului Land appears now, as in the past, in the tradition of forestry, and less in those of mining and shepherding. Agriculture is complementary to the other economic activities. This activity is of an individual type and it is not mechanised. Due to the favourable natural premises, the economy has been of an agro-pastoral type. But *after 1990, several fundamental changes have taken place*, which have reoriented the development of Năsăudului Land regional system. The Romanian industry has had a significant decline, a similar involution being characteristic to Năsăudului Land, situated in the North-West Development Region of Romania.

There were two significant moments in the evolution of the Romanian economy: *the year 1990* (the beginning of the transition to the market economy, a concurrence one) and *the year 1997* (the great collective redundancies from industry). Both these moments affected the regional system of Năsăudului Land.

In a study realised by the geographers from the Faculty of Geography, in Cluj-Napoca (Planul de Amenajare a Teritoriului Regiunii de Nord-Vest (PATR) – Coordonate majore – 2004), two problem-zones are mentioned for Năsăudului Land that surely impede its development: *Năsăud – Beclean critical zone* and *Rodna disfavoured zone*. The critical one is situated in the Someşului Mare Valley, between the two urban centres that give its name (Năsăud and Beclean). In the study mentioned above, the cause of the economic involution of the zone is identified with the “bad management that has led to the drastically diminishing of the activity in the main factories” (Planul de..., p. 253). Due to this, the study points out that it is possible that this area becomes a disfavoured zone, while the “tendency of ruralising the urban activities is in expansion” (Planul de..., p. 253).

The economy of *Rodna disfavoured zone* has had the following features: the dominance of the industrial activities, with a functionality highly marked by this sec-

tor, and the underdevelopment of the service sector. This is why the loss of jobs (half or even more) led to the chronic economic and social disequilibrium (e.g. degraded economic development, long-term unemployment, the deterioration of the living standard).

At the same time, analysing the *aspects of the migration* in the region of Năsăud (O.-R. Ilovan, 2005b), during 1987–2003 (so, mostly in the social and economic context after 1989), we noticed that this phenomenon has been characterised by some migration tendencies. The peoples' behaviour reveals some migration models according to (a) the distance of the rural area to the urban polarizing centres and of all these to the mountainous space in the north, while considering the valleys converging to the Someşului Mare River as subsystems of the regional polarised entity, and according to (c) the economic and social changes specific to the transition period to a functional market economy (many have left to work in other European countries, as the unemployment rate was high: e.g. for Rebra village, from the disfavoured zone, 50% of the labour force was unemployed in 1992 and 85% of those who left the village worked in Spain (O.-R. Ilovan, 2005a)).

We propose the case of Rodna mining zone, as it is useful to be expanded to the other regions having the same situation. Rodna mining zone was declared a disfavoured zone in 1999 by means of governmental decision (no. 640/1999). According to governmental decisions, the disfavoured zones may function from three to ten years and, for each zone, several investment fields of interest have been established (e.g. agriculture, production, commerce, environmental protection etc.), where fiscal facilities have been introduced for the potential investors. The economic restructuring was necessary due to the involution of the dominant activity.

Unfortunately, the Romanian government has sustained several passive measures (compensatory payments after the 1997 collective dismissals, without any or few programs targeting the reconversion of the labour force) and has not understood the effects that this policy has on a long term on the mining zone.

Rodna disfavoured zone has more than 1000 km² and a population of about 50000 inhabitants. It is certain that the disfavoured zones will disappear, with this status, as an impact of Romania's inclusion in the European Union structures. Then, the regional policy targeting the disfavoured zones is also affected by the closing of the "Concurrence" chapter, in the context of the negotiations with the EU, which has ended with Romania's commitment to give up gradually the facilities granted these years to the disfavoured settlements. Rodna is among the 22 disfavoured zones, which will have to disappear, with this statute, by the end of 2009.

The economic rehabilitation of these disfavoured mining zones has been possible only by granting the statute of "disfavoured zone" to them. Nevertheless, the fiscal facilities have been unattractive in zones with low accessibility, no public utility equipment and no capacity to manage the autochthon natural and human resource. At present, the "assisted zones" appeared as an alternative to the

disfavoured ones, where the fiscal facilities have disappeared and thus leading to a statute of normal functionality, obeying the laws of concurrence. But the assisted zones welcome the implementation of projects, where the local communities are involved, targeting (a) to eliminate the above-mentioned flaws and (b) to solve the extant economic and social problems of these areas.

At the present moment, one may argue about *the resilience of Năsăudului Land* regional system, knowing that resilience is a measure of the systemic stability: the greater the resilience, the more stable is the system and more capable to adapt quickly (P. Cocean, 2005, p. 118–123) or to return to the status prior to the appearance of the change factor.

In this context we try to find the answer to the question: “Is Năsăudului Land a functional system having in view the two problem zones that appeared after 1989?” In order to find the correct answer we also have in view the following issues: In which of the two zones (critical and disfavoured) the labour force is dominant in industry? (We have compared Rodna disfavoured zone to Năsăud-Beclean critical zone, from the point of view of the different percentages of the labour force, working in varied branches of the economy as in the year 2002. We have wanted to determine which are the chances of Năsăud-Beclean critical zone to become an effervescent one, or to “gain” the attributes of a disfavoured one); (b) In which of the two zones, the territorial infrastructure is better represented from a quantitative point of view: the length of the streets (the total length and the length of the modernised ones); in which of the two zones are dominant the settlements that have a network for distributing drinking water, natural gas, and a sewerage network?; (c) Can we discuss in support of the strong urban features of Năsăud-Beclean critical zone (the diversification of the communities’ economy – the appearance of more economic branches, determining local employing especially in the commerce and service sectors?) versus the rural features of Rodna disfavoured zone?; (d) How are the tourist arrangements from the point of view of their capacity and type (sufficient versus insufficient)?; (e) Can we identify discrepancies between the two zones at the level of the tourist arrangements?

One alternative is that *Năsăud-Beclean critical zone will become an effervescent one*, being situated at a higher development level, from all perspectives (economy, infrastructure, tourism etc.) than Rodna disfavoured zone and with no threats of industrial redundancies with a major negative impact, having in view that the service sector and the commerce are dominant (in contrast with the disfavoured zone).

The other alternative is that *Năsăud-Beclean critical zone will receive the features of a disfavoured zone* because: the present economic potential is low (both in the industrial and in the service sector); the low number of the highly qualified labour force; the tourist potential is little-known due to little advertising; the low technical infrastructure of the territory; low connection to the county capital (Bistrița) – no railway between Năsăud and Bistrița – therefore the economy of the town of Năsăud has to lose from this point of view.

No matter the involution or evolution of the critical zone, we have noticed that the two zones are closely related as parts of Năsăudului Land regional system: the development of the critical zone will support the development of the disfavoured one and the other way around, too.

The impact of the economic activities upon the natural environment is another issue that should be taken into account. The diversity of economic fields, the private property and the market oriented economy have determined, in Năsăudului Land, the appearance of some problems related to the environment and its pollution. At present, the areas with polluting industries still functioning or partly closed are situated along the Someșului Mare River, at Rodna, Parva, Năsăud and Beclean. Then, the intense activities of exploiting and processing the wood after 1989 have led to the appearance of great amounts of waste.

In this context, of the strong development of forestry, of wood industry, several problems related to water, air and soil pollution have come up. The numbers of the economic units that have activities with a possible negative impact upon the environment have explosively grown.

Future in Năsăudului Land – Development Perspectives

In identifying the development directions, a SWOT analysis is necessary. Thus, a strong point of this region is the diversity of the local resources. Moreover, the existence of the development alternatives is an opportunity that should be taken into account. Therefore, among the successful solutions for the region's rehabilitation, the following two are the most viable ones: *the development of commerce and tourism* (the region having the capacity of promoting multiple tourist functions) and *the development of the furniture industry* that can ensure the superior processing of the extant local resource.

We consider that both zones (Năsăud–Beclean critical zone and Rodna disfavoured one) from Năsăudului Land can be developed and rendered functional if the *tourist phenomenon* has greater development in the near future. At present, the hotels of Sângeorz–Băi resort are unoccupied at their full capacity (1638 places is the capacity of the two hotels), therefore the low number of employees in the tourism of this area (not even mentioned in the statistics).

The natural tourist potential of Năsăudului Land focuses on the following components: the landscape, the climate and the mineral waters (known from the Roman period). *The anthropic tourist potential* of Năsăudului Land focuses on ethnography, religious sites (churches, monasteries, abbeys) and cultural ones (memorial houses of Romanian writers, poets, men of culture; monuments and architectural ensembles built of wood or stone; folklore; "home industry").

Năsăudului Land is well-known due to the exquisite traditional costumes and Romanian dance called "from the Someș River". P. Cocean (1997, p. 93) considers Năsăudului Land to be a region characterised by originality, by specificity. L.-I. Grapini (2001, p. 41) notices a move from the spontaneous to festive in what the traditional local customs are concerned. Therefore, the rural and cultural tour-

ism have the best conditions, from this perspective, to develop. Moreover, the region is "placed" between the Rodnei, Țibleșului and Bârgăului Mountains, where mountaineering, trips and winter sports are practiced and the zone of Bistrița, where cultural tourism is developed.

Because, the tourist potential is not sufficiently exploited and capitalised, the following *three development directions should intermingle in promoting tourism in Năsăudului Land: mountain tourism* (winter sports, spaetourism, trips etc.) in Rodnei, Țibleșului and Bârgăului Mountains; *cultural tourism* polarised by the three urban centres and the areas of original rural civilization (e.g. Salva village near Năsăud; Rodna village near Sângeorz-Băi etc); *rural tourism* (agro-tourism): "...the rural tourism has its essential motivation in cultivating the intimate harmony of man's return to his existential source, to the mild ancestral traditions" (P. Cocean, Șt. Dezsi, 2001, p 38). Still, the extant rural tourism is a chaotic one.

We recommend the following *actions in order to promote tourism* in Năsăudului Land: (1) superior valorising of the extant potential by arranging and rearranging those tourist routes that are intensely visited by tourists, as well as the building of an adequate tourist infrastructure (e. g. chalets in the mountainous area) and integrating it in several tourist circuits; (2) stimulating the new tendencies in rural tourism whose development should be harmoniously integrated into the local, zone and regional development plans, while observing the quality of the tourist services, the rules of the environmental protection, and the conservation of the natural and anthropic potential specific to Năsăudului Land.

The *solutions we identified for supporting tourism development* are, first: winning some projects financed from non-reimbursable European funds (especially for bettering the territorial technical infrastructure); investment from those who have left the region in order to work abroad and send money to their families or come back in order to invest in their own households or to initiate business in their local communities. Secondly, the following actions should be taken hopefully, in the near future: the energy network should be introduced into those communities that lack it at present; the water alimentation network should be solved as well as the sewerage system in the rural areas. Still there are no strategies that target the connection of the rural areas to the natural gas network (the local reserve of wood is the energy source). We conclude that the technical infrastructure of the territory can be characterised as insufficient in order to support a highly developed tourist activity.

Remodelling the Mental Space of Năsăudului Land

The "lands" represent symbols and reservoirs of territorial identity, creating a favourable space for the appearance of a functional regional entity in the action of territorial planning and regional development. They have a *dual structure*, from a temporal perspective: *static* – as they maintain several features that individualise

them through specificity – and *dynamic* – due to their continuous metamorphosis at the level of their spatial extension, sometimes in expansion, on the basis of the unique spatial elements' diffusion (A. Dauphiné, 1979 quoted by F. Pendea, 2003, p. 20–21) and on the basis of the human factor, who adds new attributes. These new attributes are a proof of his excellence in creating and permanently adapting the old ones to his economic, social and spiritual needs.

As a part of the Romanian mental space, that of the people in Năsăudului Land has a series of *structural and functional features* that confer to it an unquestionable specificity, and implicitly, individuality. These features are the following (P. Cocean, O.–R. Ilovan, 2005): the peoples' attachment to reality; the peoples' spiritual openness to their development to a superior level; the peoples' habit of intermingling, in every day life, the real with the fabulous and the mythical; taming the reality by means of a ludic perception of it (the developed sense of humour even in tragic circumstances, in order to diminish the sorrow and to put colour to the sometimes "black face of reality"); the peoples' awareness of the uniqueness of their space (mental and physical); the specificity and originality of the material and spiritual production of Năsăudului Land.

The process of diversifying supposes, always, the apparition of restructuring in the context of respecting the old norms and habits that are rooted in the man's soul and mind. Thus, the new internal structure of the regional space of a "land" will be one that is adapted to tradition, integrated into tradition, and, thus, not alienable for the inhabitant of the "land". Flexibility is more and more present at the level of the "lands", because these old regional entities have undergone a process of adaptation to the new social and economic realities after 1989. One may notice, from this perspective, not only a social and economical transition, but also a spiritual-mental one, triggered by the changes in the Romanian society (e.g. giving up to certain customs usual at the religious or laic fests; giving up to the traditional costumes, especially in what the younger generation is concerned; greater mobility etc).

Conclusions

Năsăudului Land is a regional territorial system with structural attributes that derive from this way of functioning. The structural and functional model of Năsăudului Land, as a polarised systemic entity, is given by the configuration of the social and economic relations in the territory, as it reveals certain networks of mass, energy, information and interest mobility. The spatial and cultural pattern (the physical and mental environment) of Năsăudului Land is to be recognised in the entire regional territory.

We conclude that Năsăudului Land, despite its social and economic problems, is an adaptive, self-controlled, balanced, dynamic and dissipative system, having the possibility of becoming an effervescent region if the adequate strategic plans are implemented in a short time.

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Michal Vančura

Foreign Direct Investment in the Countries of Central Europe with the Emphasis on the Czech Republic

Introduction

At present foreign direct investment (FDI) is worldly considered as one of the most important impulses for the economic development. The first bigger FDI influence dates back to the end of the 50s. FDI became a subject of the specific structural economic policy on the global level in the late 1970s and early 1980s. Today FDI indicators are one of the most important economic indicators of the national economies. FDI combines capital investment, management contribution and mutually beneficial exchange of “know-how” together with open access to the world markets. FDI requires relative social-economic stability, but at the same time it helps to ensure this stability. It is necessary to emphasize the influence of FDI on local economic development, especially in structurally affected regions, where the most of the FDI goes. In most of the cases FDI is not a solution for momentary problems of production or development programs, but is an impulse for creation of conditions for extensive long-term development. This article was written with the contribution of the Grant Agency of the Czech Republic and is one of the outputs of the grant assignment no 402/03/D089.

Structure and influence of Foreign Direct Investment on the Development of the Economy

FDI can be divided according to many criteria. One of the most frequently used is the way of realisation of the investment. “Investment on green field” has, because of the programme supporting the development of industrial parks, been very frequent since 1998. This investment is very convenient for the investor because it can launch a project which meets its needs, but on the other hand he often has to look for new workers and train nearly all of them. A great amount of the investment of the multinational companies was carried out by the means of a form of mergers and acquisitions (M&A – mergers and acquisitions). A major part of M&A was in a form of privatization via direct selling to a foreign investor. Provided the investor’s involvement is connected with a large investment into restructuring of the company and a new production is often possible only because of this investment we called it “brown field” investment.

In transition economies the following phases of FDI inflow (FDI direction phases) could be outlined:

- **First phase “spontaneous”** – occupying of newly developing markets. This phase is most crucial at the beginning of the economic transformation and is often in progress within the privatisation of companies. During this first phase investors usually do not expect any investment incentives, neither from the state nor from local authorities. In this phase attractive investment opportunities are usually very rare.
- **Second phase “promotional”** – inflow of FDI is characterized by the effort of the state and local authorities to use FDI in more systematic way within re-structuralization of local economies. Typical of this phase is the phenomenon of aiming FDI especially into production sector. In this phase investment incentives have a key role.
- **Third phase “integrational”** – the sector of services starts to take over. Not only for direct support of production, but also in various forms of strategic services. Development of services and cooperation aims also at stabilisation of already existing companies (e.g. support of subcontractors). Within the second and the third phase logistic centres in the backgrounds of large economic centres are also starting to develop. Some of them later grow into more complex so called, integrated development centres.
- **Fourth phase „interactive”** – certain saturation begins. Some types of FDI connected with the second phase search for better conditions in new “low-cost-countries” and FDI focus shifts even further into areas of activities with high added value and high quality of labour. The activities of companies established during the second and the third phase are also being transformed in this respect.

Global supplying networks of the multinational companies partly limit the possibilities of the local suppliers to enter their production system. In the case of greenfield the contact of investment with the potential home markets might not be established. In the case of acquisitions and mergers the local suppliers can even be automatically replaced by global suppliers of the mother multinational company. If the home company succeeds and becomes a supplier to a local branch of a multinational company, it might later help it become a part of the company’s global production system. The local supplier can even start providing supplies to other multinational companies involved in that particular sector which is regarded as the highest possibility of growth for the local small and middle enterprises. Multinational companies usually have very strict requirements for the quality of subcontracts that only few local subcontractors can fulfil. For the developing economies, it often prohibits them from taking advantages of possibilities that the FDI offers. In that case multinational companies thus often import their inputs or motivate their global suppliers to establish their branches in their host countries. Especially large projects can be followed by a wave of FDI of their global suppliers (called “snowball effect”) (M. Srholec, 2004).

Inflow of FDI into a region brings many positive phenomena. The most important are:

- number of jobs created – the majority of investments create new jobs in the region;
- capital – foreign (multinational) corporations generally gain bank loans more easily, FDI brings new available financial resources;
- productivity of labour – at most of the enterprises FDI contributed to an increase in the productivity of labour;
- technology – multinational corporations introduce new (modern) technologies into production;
- new markets – multinational companies let their daughter companies enter their network of customers (guarantee customers to their daughter companies);
- cooperation – FDI increases the possibility of further cooperation and participation of other local enterprises (services, subcontracts).

Although inflows of FDI have mostly positive impacts on regions, some negative phenomena can also be identified. For example:

- hostile takeover – the introduction of FDI with the intention of eliminating competition and gaining control over the local market with their own products;
- increase of import – an increase in the amount of import of raw materials and semi-finished products often contributes to bankruptcy of the local producers of these commodities;
- repatriation of income – is reflected by collection of dividends and capital outflow;
- regional differences – lower economic efficiency of the local enterprises may lead to creation of “dual economy” (World Investment Report, 1999).

Global Foreign Direct Investment in 2004

Global foreign direct investment inflows (FDI) decreased in 2004 to \$648 billion. Although it was a little bit more than in the previous year (\$633 billion), still it was the second worst result since 1998. In comparison to year 2000, when the amount of global FDI was the biggest in history (\$1 492 billion), this result meant a decrease by 57 per cent. The main factor that caused this state was slow economic growth in most of the world main economies.

If we concentrate only on developed economies we can say, that these economies experienced significant decrease to the lowest level in the last 7 years (\$380 billion, in comparison with 2003 decrease by more than 14 per cent). The United States retained its position as the number one recipient of FDI, followed by the United Kingdom. Contrary large increase was achieved in developing economies. In 2004 the total FDI inflows into these countries were the biggest in the history and reached \$233 billion, which was by more than 28 percent better (higher) than in 2003. The share of developing economies in global FDI reached 36 per cent.

Many factors help to explain why the growth of FDI was particularly pronounced in developing countries in 2004. Intense competitive pressures in many industries are leading firms to explore new ways of improving their competitiveness. Some of these ways are by expanding operations in the fast-growing markets of emerging economies to boost sales, and by rationalizing production activities with a view to reaping economies of scale and lowering production costs. Higher prices for many commodities have further stimulated FDI to countries that are rich in natural resources such as oil and minerals. In some developed as well as developing countries, increased inflows in 2004 were linked to an upturn in cross-border merger and acquisition (M&A) activity. Greenfield FDI continued to rise for the third consecutive year in 2004. Provided economic growth is maintained, the prospects for a further increase in global FDI flows in 2005 are promising. Concerning the dynamically developing countries, China has the biggest FDI inflows (including Hong Kong the FDI inflows reached \$95 billion).

FDI inflows into the 8 EU-accession countries (which were previously classified under Central and Eastern Europe – Czech Republic, Hungary, Poland, Slovakia, Slovenia, Estonia, Latvia, Lithuania) rose by 69 per cent in 2004, to \$20 billion, with Poland, the Czech Republic and Hungary, in that order, receiving the largest FDI inflows. Reinvested earnings accounted for more than half of the FDI flows to these countries, whereas equity investments in new projects and privatization sales were the dominant forms of FDI in Slovakia, Latvia and Lithuania (G. Hunya, 2005).

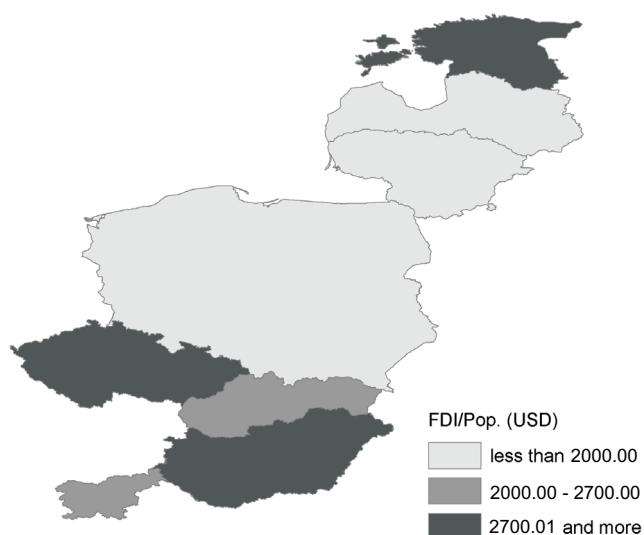


Figure 1. FDI per Inhabitant in 8 New EU Members in 2004

Source: World Investment Report, 2005.

Lithuania, Latvia and the Czech Republic experienced the largest increase in inward FDI flows in 2004 among the 8 new EU members. Flows to Lithuania more than quadrupled (to \$773 million); they more than doubled in Latvia (\$647 million), the Czech Republic (\$4.5 billion) and Hungary (\$4.2 billion); and Slovakia (\$1.2 billion) received 68 per cent higher inflows than in 2003, mainly due to the privatization of three electricity distributors.

The Changes in the Amount of Foreign Direct Investment Flowing into the Czech Republic

Until 1997 only direct foreign investment (FDI) into equity capital was monitored. In the period of 1993 and 1997 FDI inflows reached their maximum in 1995 (approximately \$2.5 billion). There was a great increase in the amount of money coming into the Czech economy from abroad in the years after 1995. In 1998 FDI reached \$3.7 billion (including reinvested earnings and other capital) and in 1999 \$6.3 billion. In 2000 the Czech economy experienced a slight decline in FDI inflows to \$5.0 billion and in 2000 to \$5.6 billion. In 2002 the Czech Republic contrary to global trends (Global FDI inflows were declining since 2001) experienced another increase in FDI to \$8.5 billion. In 2003 significant decrease in FDI inflow followed. In 2004, according to preliminary data of The Czech National Bank, the amount of FDI inflow increased and is expected to reach \$4.0 billion.

In the end of 2003 FDI inflow into the Czech Republic reached 1 161.8 billion CZK (\$38.5 billion) out of which 767.1 billion CZK was invested into authorized capital and 394.7 billion CZK into reinvested earnings and other capital). The major investors into the Czech economy are mainly other countries of the European

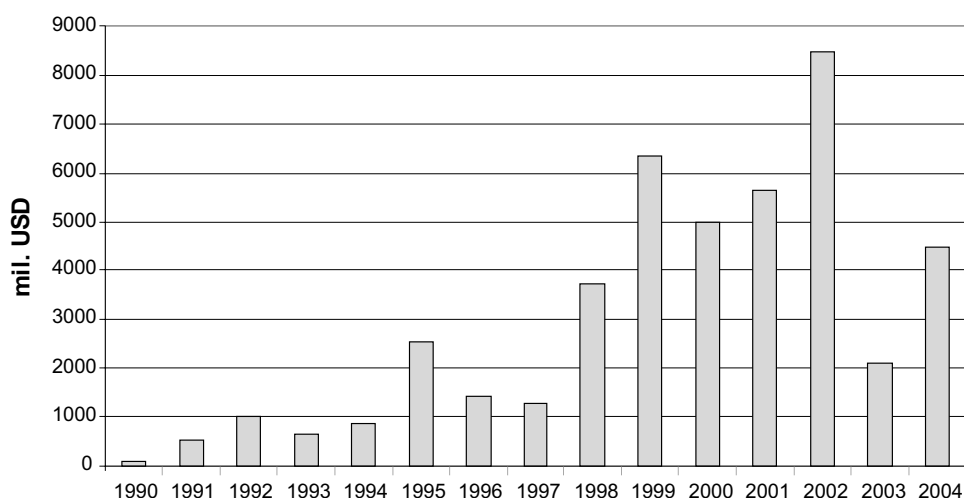


Figure 2. Inflow of Foreign Direct Investment into the Czech Republic from 1990 till 2004

Source: Foreign direct investment 2002. The CNB, 2003. Own calculations.

Union with the amount of FDI bigger than 1 000 billion CZK (1 064.6 billion CZK at the end of 2003, out of which the Netherlands 359.2 billion and Germany 238.9 billion CZK.)

Analyses of Foreign Direct Investment in the Czech Republic according to Regions and Sectors of National Economy

Concerning regional aspect, Prague has always been the biggest recipient of FDI. Between 1993 and 2003 nearly half of all FDI flowing into the Czech Republic (46.3%) was invested into companies with headquarters located in Prague. In Prague more than 750 thousand CZK was calculated per one worker. High amount of FDI was also invested in Středočeský region and in Ústecký region. Concerning the district level, the majority of FDI went to districts Mladá Boleslav (654.3 thousand CZK), Beroun (554.0 thousand CZK) and Most (539.8 thousand). More than 250 thousand CZK per one worker could at the end of 2002 also be found in districts – Plzeň-město (342.3 thousand CZK), Praha-západ (326.1 thousand CZK), Kutná Hora (311.1 thousand CZK), Rakovník (304.5 thousand CZK), Teplice (297.2 thousand CZK) and Přerov (253.2 thousand CZK). Contrary, little amount of FDI

Table 1. Foreign Direct Investment in Regions of the Czech Republic from 1993 till 2002

Region	Investment (billion CZK)	Share in investment into national economy (%)	Investment per one worker (billion CZK)
Praha	537 429.6	46.3	753.1
Středočeský	134 793.2	11.6	283.7
Jihočeský	32 965.7	2.8	145.7
Plzeňský	49 790.4	4.3	186.2
Karlovarský	13 822.9	1.2	109.5
Ústecký	67 827.7	5.8	230.3
Liberecký	28 875.3	2.5	122.2
Královehradecký	24 264.2	2.1	93.4
Pardubický	39 725.4	3.4	139.5
Vysočina	31 881.0	2.7	109.7
Jihomoravský	70 444.4	6.1	127.6
Olomoucký	30 998.1	2.7	105.7
Zlínský	28 146.1	2.4	115.4
Moravskoslezský	70 819.7	6.1	116.0
Czech Republic	1 161 783.7	100.0	245.4

Source: Foreign Direct Investment 2003, The CNB, Prague, 2002. Own calculations.

was allocated to districts especially in Moravia and districts located in the south-west of the country. The figures of FDI calculated per one worker in these districts are following – Kroměříž (15.4 thousand CZK), Domažlice (19.8 thousand CZK), Hodonín (22.4 thousand CZK), Prachatice (25.8 thousand CZK), Karviná (27.7 thousand CZK), Pelhřimov (28.1 thousand CZK) and Písek (28.6 thousand CZK).

From the viewpoint of sectors, most of FDI went into the services. By the end of 2003 the sector of services gained 550.7 billion CZK. Inside of this sector most of the foreign investment flow into the financial sector (195.0 billion CZK), the transport and the telecommunications (169.0 thousand CZK) and the trade (142.5 billion CZK). Between 1993 and 2003 more than 26.5 billion CZK went into the construction industry. The agriculture, the fishing and the forest industries received only 280.9 billion CZK of FDI during this period. The total amount of FDI inflows into all industrial sectors calculated to 31 December 2003 was 584.3 billion CZK. Most of this money went into the manufacturing industry (486.7 billion CZK; 83.3 per cent of the total FDI into industry).

The Inward PZI Performance Index of the Czech Republic Regions

For detailed analyses of the abilities of the Czech Republic regions to attract FDI the Inward FDI Performance Index can be used. The Inward FDI Performance Index ranks regions by the FDI they receive relative to their economic size. It is the ratio of a region share in global FDI inflows into the Czech Republic to its share in global GDP of the Czech Republic.

A value greater than one indicates that the region receives more FDI than its relative economic size, a value below one that it receives less (a negative value means that foreign investors disinvest in that period).

The index thus captures the influence on FDI of factors other than market size, assuming that, other things being equal, size is the „base line” for attracting investment. These other factors can be diverse, ranging from the business climate, economic and political stability, the presence of natural resources, infrastructure, skills and technologies, to opportunities for participating in privatization or the effectiveness of FDI promotion.

$$IND_i = \frac{FDI_i / FDI_{CR}}{GDP_i / GDP_{CR}}$$

Where,

- IND_i = The Inward FDI Performance Index of the i^{th} region
- FDI_i = The FDI inflows in the i^{th} region
- FDI_{CR} = FDI inflows into the Czech Republic
- GDP_i = GDP in the i^{th} region
- GDP_{CR} = GDP of the Czech Republic

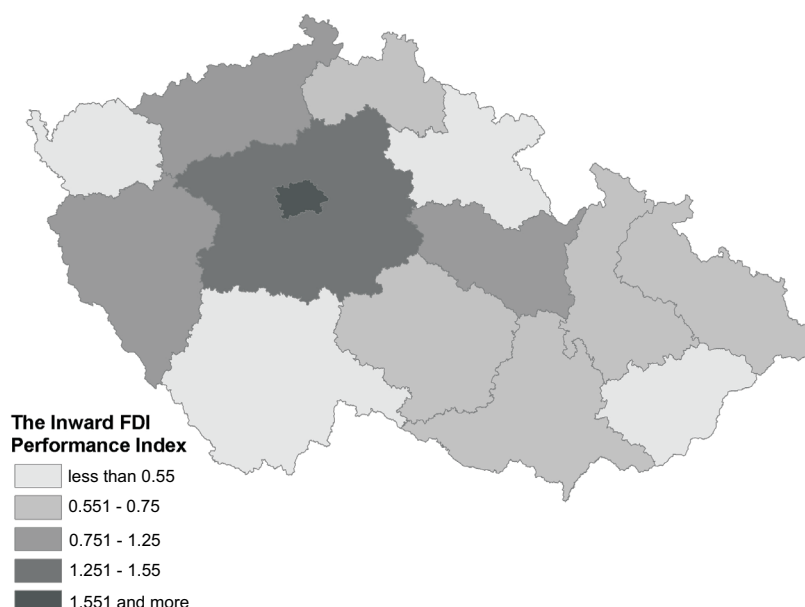


Figure 3. The Inward FDI Performance Index of the Czech Republic Regions (31 December 2003)

Source: Foreign Direct Investment 2003, The CNB, Prague, 2002. Own calculations.

The capital Prague has been the most successful region in attracting FDI. Prague has gained the highest amount of FDI because of its attraction but its statistic success has also been influenced by the fact, that some companies have their headquarters located in Prague and thus are statistically included in Prague, even though their production might be located in a different region of the Czech Republic. Středočeský region has benefited from the Prague's attraction, because many companies for which proximity of the capital is necessary have located their companies in this region. Severočeský region has been the third region with the Inward PZI Performance Index higher than 1.00. It is a region with a long tradition in the industrial production and a good location near the western border. Because it is a region with the highest level of unemployment, it is also often supported by the Czech government to attract more FDI. The two Moravian regions – Moravskoslezský and Olomoucký have been the least successful in attracting FDI. These two regions lie far from the western border, far from Prague and the provided services are insufficient.

Conclusion

In all contemporary economic and political debates FDI topics are always the most controversial. Protagonists of higher economic integration via free market and FDI face strong opposition from politicians or economists, who want to protect

local industry by reducing influence and interventions of multinational companies. Generally it could be said, that the access to FDI depends on the level of economic development. Developed countries mostly support FDI, but within clear rules and development strategies. Their experience is that within the sensible structural and long-term based regional policy, the FDI system risks could be limited to the level that is, concerning the number of advantages of FDI, highly acceptable. FDI inflows have been the key driving force of state and regional economies of the whole world, in developed as well as in developing countries and have contributed to the increase of these economies. This fact demonstrates among others long-term highly dynamic development of FDI inflow into the Czech Republic.

Concerning the time standpoint, four characteristic periods could be identified in the FDI inflows into the Czech Republic. Till 1998 privatization investment ultimately prevailed. After 1998 thanks to the programme supporting the development of the industrial parks, there was a huge increase in greenfield projects. From around 2002 another wave of investment can be identified. This investment went mostly into strategic services. Concerning the regional level, Prague has always been the most attractive region for FDI. On the other hand, Moravian regions, thanks to their peripheral position, have always received the smallest amount of FDI. It is anticipated that the amount of FDI will be getting smaller after privatisation has finished and the Czech market has reached some level of saturation. Foreign investors might gradually lose interest in reinvesting their profits but might want to repatriate their money (e.g. the payment of dividends) or they might use their money for the development of strategic concepts of foreign investors in third world countries.

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Olga Laschevskaja

The Problem of Foreign Direct Investment Attraction in Belarusian Industry

The urgent problem of the Belarusian economy is poor activity of international capital flows. The following arguments evidence it.

First, it is a high level of fixed assets wear and extremely low level of renovation. In 2000 the basic production assets value in comparison with the numbers of 1991 amounted to 134% of the year of 1991 in comparable prices with the general discount factor of basic production assets of this period (*4.24 million times*) being more than industrial goods producers' price movement (*2.39 million times*). The increase of fixed assets value conflicts with the tendency of its quality deterioration that has an effect on growth of accumulated depreciation from 47% in 1990 to 59% in 2000. At the same time in 1996–2000 the situation got aggravated – where volume of industry production went up 64.3% (regarding 1995) fixed assets balance sheet value was reduced by 1%. At the same time the discount factor of production assets increased 2.5 times faster than the producers' price. In 2001 the deterioration of fixed assets was 61% (Table 1).

Table 1. The activities of industry fixed assets movement

Activities	1991	1995	1996	1997	1998	1999	2000	2001
Fixed Assets Balance Sheet Value, % regarding the previous year	107.6	105.8	102.3	89.9	110.5	97.4	100.2	97.0
Fixed Assets Discount Factor, times	–	1.0	3.1	2.4	1.0	10.0	2.1	1.5
Index of Producers' Price, times regarding the previous year	2.5	5.6	1.3	1.9	1.7	4.6	2.9	1.7
Wear of Fixed Assets of Industry	47.0	57.0	58.0	62.0	59.0	61.0	59.0	61.0

Source: own studies.

Under continuing increase of basic production assets deterioration discount factors of basic production assets of industry were set too high. To a certain extent it concealed “spending” of the fixed capital that was the illustration of the extensive growth. This conclusion confirms the state of the basic production assets active part, which deterioration has already exceeded the critical level in 1994

Table 2. The activities of industry fixed assets active part movement, %

Activities	1992	1994	1996	1997	1998	1999	2000	2001
Renovation Rate	4	1	3	2	7	2	2.7	3
Retirement Rate – Total	4	10	5	3	3	3	7.5	6
Retirement Rate Due to Liquidation	2	3	3	2	2	2	1.9	3
Wear Rate	50	64	72	76	69	76	77	79

Source: own studies.

and since then has been growing steadily except 1998 when the renovation ratio exceeded greatly the retirement ratio (Table 2).

The growth of basic production assets input was achieved due to the significant growth of capital investments rate in the economy in 1997–1998. The growth of investments in the industry in 1997 was 119 % regarding the previous year and in 1998 – 141 % (accordingly 30,9% and 35,0 % of the aggregate investments in the economy). However in 1999 the investments in the industry were 27% lower than in the previous year.

Under the increase of the deterioration of the basic production assets' active part its retirement until 2000 did not increase, the retirement ratio that has been keeping at the level of 3% since 1997. The given fact cannot be referred to as the preservation of industrial potential. Consideration of the level of productive capacity usage is enough. In 2001 only 23–67% of the output capacities of separate kinds of goods were used and the level of loading of a number of manufactures continues to reduce. Thus in 1999–2001 the tractor producing capacities were loaded on 55.4–45.9%, woollen fabrics – on 28.5–22.9%, ferro-concrete items – on 31.9–28.1%. As a whole in 2001 the level of industrial capacities usage in the IV quarter came to 56.5% (has decreased from 59% in the III quarter). Thus the loading in the chemical industry has decreased to 56.1% (by 4.4%), fuel – to 46.1% (by 5.5%), food – to 58.0 % (by 3.8%).

The unused capacities, the major part of which is worn out and overpriced, noticeably increase manufacturing expenses. In a number of branches, in power-consuming chemical industry for example, technological processes are persistent and require the equipment to be maintained in operational condition even under loading reduction. Moreover the enterprises are compelled to bear expenses of the unnecessary equipment preservation and can't realise it (at first it was forbidden and then it got impossible because of the share market absence and balance cost overestimation). It makes a ponderable contribution to the increase of other manufacture expenses. At the same time the experience of the transitional countries shows that one of conditions of fast private sector development was the emission of cheap fixed capital to the capital market during the re-structuring and bankruptcies of the enterprises.

The adverse financial position of the enterprises and imperfection of the taxation were the reason of no-purpose use of one of the basic production assets up-

dating fundamental sources – depreciation. The specific weight of depreciation charges in the expenses for manufacture as a whole on was reduced from 9.4% in 1990 to 1.4% in 1999 and started growing only in 2000, having made 3.6%. In 1994–1995 in the industry the accrual depreciation volume 1.5–1.4 times exceeded the means directed on capital investment. In 1997–1998 about half of depreciation charges were used on capital investments. Thus the share of depreciation charges in total amount of capital investments made 86% in 1994, 67% in 1996 and 65% in 1998. From this it follows that there wasn't even a simple basic production assets reproduction in the industry. The greatest level of depreciation usage was in electric power industry and the chemical industry, the lowest level – in mechanical engineering. And one of the lowest levels of depreciation usage can be found in machine-tool constructing, tool and motor industry.

One of the principal causes of depreciation no-purpose use is a quality of the state depreciation policy. The perfection of the depreciation policy is also necessary from the point of view of technological safety (U. Valetka, 2002).

There is a lack of investments during last years. According to government statistic in 1999 the investment in a fixed capital of the industry decreased in comparison with the previous year by 27% and on the results of 2001 made only 72.1% from the level of 1998. As a result the basic production assets updating was slowed down and the level of their active part wear verged towards 80%. This tendency also had place in 2001 – investments in the industry were 844.8 billion roubles or 96.8% regarding 2000. The share of the investments in the industry was 28.6% in the structure of the aggregate investments in the economy. It is necessary to pay attention, that almost third of investment resources was concentrated in the house-building and in the municipal economy (the share of these branches in gross national product made 4.2%). As a whole the social orientation of the given stream of investments is clear. However at the given stage the concentration of a third of capital investments in housing development is a by luxury in conditions of critical wear of the equipment of country leading branch – the industry. Moreover, the issue character of the housing development means appears extremely inflationary measure as such financing is not supported with the increase of the goods offer provided with solvent demand. The money through the building enterprises comes in a national economic turnover very quickly and strengthens the inflation.

Thus the country hasn't own sources of basic assets renovation and couldn't pass the investment crisis. That conclusion is confirmed with the economic circumstances in industrial sector of economy. The distinctive feature of Belarusian economy is that its advanced technology products mismatch the world level of quality and costs. Under the circumstances of open economy and world raw material prices the main goal of reforms is industrial processes modernization to make the product competitive at the world market.

Negative institutional conditions of the country don't promote to modernization of Belarus industry on the basis of foreign direct investments (FDI). Only

during the last years the share of FDI in the national economy decreased from 4.2% to 1.6% in 2000. As a whole in 1992–2000 the cumulative foreign investments in Belarus made 1.236 billion dollars whereas investments in Lithuania that is three times smaller on the population were 2.4 billion, investments in Poland were 52.3 billion dollars. Approximately 80% of FDI in Belarus (985.2 million dollars) are “Gazprom” investments in Yamal – Europe gas pipeline building which has been frozen since 2002 (Belarus..., 2003). In 2001 DFI has made 73.9 million dollars, in the first half of 2002 – 37 million dollars (U. Valetka, 2002).

The most common forms of foreign investment in Belarus are joint ventures and wholly foreign-owned business. The largest number of joint ventures are foreign-owned companies from Germany, Poland, the US, Russia, Italy, Cyprus, the UK, the Czech Republic, Ireland and Switzerland. Apart from the Russian investments in gas-main Yamal–Europe, the major sources of FDI in Belarus to date are Germany, Netherlands, Cyprus, the US, the UK and Poland. Most investors are attracted by the country’s strategic location on the main road and rail link between Russia and Europe. Notwithstanding this the share of foreign direct investments is negligible – in 2002 it contributes only 4% of total (4.2% or \$286 million in the first half of 2003).

At the same time in Eastern Europe and the Baltic states, capital inflows have been dominated by FDI, the share of which has increased to 70–80 per cent of the total net inflow. Croatia, Poland and Romania received net portfolio investments of some \$2 billion (which also include around some \$5 billion in new (gross) eurobond issues). The narrowing of yield differentials in some transition economies also seems to explain part of the outflow of short-term funds, a widespread phenomenon in the ECE region in the past two years. Croatia was particularly hard hit in this regard, the \$1.5 billion outflow in the first three quarters of 2000 fully offsetting inflows of FDI and portfolio investment. Against a background of tight financial constraints in 1999, Romania and The former Yugoslav Republic of Macedonia attracted more capital in 2000 and boosted their official reserves. In Yugoslavia, the recently released accounts show some medium-term borrowing but the bulk of the new funds (\$1 billion in the first three quarters of 2000) is unidentified. Official reserves, secret under the previous government, were \$524 million in December (Table 3). In general, the current account deficits of these countries were easily financed and in most of them official reserves were increased (Economic Survey..., 2001).

In the three European CIS (Belarus, Ukraine and Moldova), financing has remained difficult since the rouble crisis of 1998. Current account surpluses and increased FDI in Ukraine allowed the repayment of some medium-term funds in 2000 (including IMF credits), but they also seem to have fed an outflow of short-term capital. The renewed access of Ukraine (and Moldova) to IMF resources in late 2000 also boosted their official reserves. In Moldova record FDI dominated capital inflows, but there was also a significant outflow of other funds. Belarus reported another small capital account surplus, because FDI and unidentified

Table 3. Net capital flows into Eastern Europe, the Baltic states and the CIS, 1997–2000 (billion dollars, %)

Country	Capital and financial account flows ^a									Changes in official reserves ^b					
	Billion dollars						Capital flows/GDP			Billion dollars			Reserves/GDP ^b		
				Jan.-Sept.											
	1997	1998	1999	1999	2000	2000	1998	1999	2000 ^c	1998	1999	2000 ^c	1998	1999	2000 ^c
Eastern Europe ^d	20.6	25.8	27.0	15.5	15.4*	24.4*	6.7	7.3	6.6	8.1	6.2	5.4*	2.1	1.7	1.5
Albania	0.3	0.1	0.3	0.2	0.3*	0.5*	3.5	7.6	12.1	0.1	0.1	–*	2.1	3.4	–1.3
Bosnia and Herzegovina	1.2	0.7	1.4	1.1*	0.6*	0.9*	16.1	31.2	18.3	–0.1	0.4	–*	–2.5	9.9	0.6
Bulgaria	0.6	0.5	1.2	0.4	0.5	1.1	4.3	9.5	8.9	0.5	0.5	0.4	3.8	4.3	3.3
Croatia	2.8	1.7	2.0	0.9	0.6	1.2*	7.8	9.7	6.5	0.2	0.4	0.5*	0.7	2.1	2.5
Czech Republic	1.4	3.3	3.2	1.1	1.8	3.2	5.8	6.1	6.4	1.9	1.7	0.8	3.4	3.1	1.7
Hungary	0.8	3.1	4.4	2.6	1.7	2.8	6.6	9.1	6.0	0.8	2.3	1.1	1.7	4.8	2.3
Poland	7.4	12.8	11.7	8.0	7.1	10.6	8.1	7.6	6.7	5.9	0.2	0.6	3.7	0.1	0.4
Romania	3.8	2.1	1.5	0.8	1.2	2.3	5.1	4.3	6.3	–0.8	0.2	0.9	–2.0	0.5	2.5
Slovakia	2.0	1.5	1.8	1.0	1.4	1.5	7.1	9.1	8.0	–0.5	0.7	0.8	–2.6	3.7	4.3
Slovenia	1.3	0.3	0.7	0.4	0.5	0.8	1.6	3.5	4.2	0.2	–0.1	0.2	0.8	–0.4	1.0
Macedonia	0.3	0.4	0.3	0.1	0.2	0.4*	10.0	8.0	10.2	–	0.1	0.2*	1.2	4.1	4.5
Yugoslavia	1.8	1.1	1.3	1.0*	1.2	..	6.7	8.2	6.2	–0.1	–0.1	0.1	–0.7	–0.4	0.4
Baltic states	2.4	2.9	2.2	1.2	1.0	..	13.0	9.8	..	0.4	0.1	..	2.0	0.3	..
Estonia	0.8	0.5	0.4	0.1	0.2	0.5	9.4	8.0	9.3	–	0.1	0.1	0.2	2.2	2.5
Latvia	0.4	0.7	0.8	0.4	0.3	..	11.3	11.9	5.7	–	0.1	–	0.6	2.3	0.1
Lithuania	1.2	1.7	1.0	0.7	0.5	..	15.8	9.4	5.5	0.4	–0.2	0.1	3.7	–1.8	1.6
CIS	6.8	–0.4	–20.6	–12.4*	–21.6*	..	–0.1	–7.4	..	–7.1	2.6	..	–1.8	0.9	..
Armenia	0.4	0.5	0.3	0.2	0.2	..	24.1	17.8	15.5	0.1	–	–	2.8	1.1	–0.5
Azerbaijan	1.2	1.3	0.8	0.9	–	..	30.3	18.4	–1.4	–	0.2	–	–0.4	5.1	0.5
Belarus	0.7	0.8	0.2	–	0.3	0.2	6.8	1.4	2.3	–0.1	–	0.1	–0.5	–0.3	0.7
Georgia	0.3	0.3	0.2	0.1	0.1*	..	9.6	5.8	3.1	–0.1	–	–0.1*	–1.9	–1.1	–4.4
Kazakhstan	1.3	0.9	0.3	0.4	–0.4	..	4.1	1.8	–3.0	–0.3	0.1	0.2	–1.4	0.5	1.8
Kyrgyzstan	0.2	0.4	0.2	0.1	0.1	..	22.8	20.1	6.4	–	0.1	–	–0.4	5.0	2.4
Republic of Moldova	0.3	0.1	0.1	0.1	0.1	..	6.2	7.4	9.8	–0.2	0.1	–	–13.1	4.5	2.0
Russian Federation	–0.1	–6.0	–23.3	–14.7	–20.3	..	–2.1	–12.4	–11.7	–5.3	1.8	13.3	–1.9	1.0	7.6
Tajikistan	0.1	0.1	–	–*	–0.1*	..	10.9	–2.3	–10.7	–	–	–*	1.7	–0.7	–0.3
Turkmenistan	0.7	1.0	0.9	0.6*	0.2*	..	36.3	28.0	4.6	0.1	0.1	0.2*	3.3	2.0	6.1
Ukraine	1.7	–	–0.6	–0.2	–1.7	..	–0.1	–1.9	–7.6	–1.3	0.3	–0.1	–3.2	1.0	–0.6
Uzbekistan	0.1	0.1	0.3	0.2	0.1	..	0.7	1.5	1.1	–	0.1	0.1	–	0.4	1.3
Total above ^d	29.9	28.2	8.7	4.4*	–5.3*	..	3.5	1.3	..	1.4	8.8	..	0.2	1.3	..

^a Including IMF funds and errors and omissions.

^b A positive sign indicates an increase in reserves. Reserves/GDP is the ratio of change in reserves to the level of GDP (in per cent).

^c January–September for Yugoslavia, Latvia, Lithuania and the CIS (except Belarus).

^d Excludes Bosnia and Herzegovina and Yugoslavia.

Source: Economic Survey of Europe, 2001 No. 1, p. 156.

(probably short-term) funds, were partly offset by various outflows. Nonetheless, the persistent draw-down of official reserves was reversed. In Russia the acceleration of financial outflows, in part reflecting greater capital flight, was largely fuelled by the huge current account surplus. Nonetheless, official reserves (excluding gold) nearly tripled to \$24.3 bil.

Incomplete financial account data (including errors and omissions) for a few Asian CIS indicate that capital flows remained subdued in 2000. In energy-ex-

porting Azerbaijan and Kazakhstan, current account surpluses were the source of an outflow of funds (mainly short-term flows) in the first half of 2000. In Kyrgyzstan and Uzbekistan, smaller inflows reflect lower levels of borrowing and FDI. Most non-energy exporting members of the CIS continue to face chronic financial constraints stemming from their inability to access the international financial markets and, in some cases, to qualify for resources from the international financial institutions.

Foreign direct investment in the transition economies is estimated to have increased again in 2000, to about \$28 billion. These flows have proved resilient in the wake of the global financial crises (although Russia is a major exception), an experience they have shared with emerging market economies in the rest of the world. Direct foreign equity investment in the emerging markets peaked in 1999, falling to an estimated \$124 billion in 2000. FDI in the transition economies continues to be driven by the prospects of EU accession in a small number of them and by privatization programmes, which yielded record foreign receipts in several countries. Major sales were completed for example in Poland (\$4.3 billion for a stake in TSPA), Slovakia (1 billion for a stake in Slovak Telecom) and The Republic of Macedonia (342 million for a stake in MakTel). FDI, however, has become still more concentrated in the Czech Republic, Hungary, and Poland, which together accounted for over 58 per cent of total FDI in the transition economies in 2000. FDI entirely financed the current account deficits of many countries and helped to hold down the growth of debt. Conversely, countries receiving little FDI, particularly some in the CIS have often run into payments difficulties. By virtue of its dominance of total capital inflows and its relative stability, FDI has also reduced the vulnerability of these countries to financial crisis, and this in turn has helped to reinforce the confidence of international investors.

Investors became increasingly averse to emerging market risk in 2000, and only those countries with the better credit ratings were able to raise funds at good terms. In general, the conditions obtained by the transition economies continued to improve, but the volume of external bond issues fell to about \$5 billion in 2000 (Economic Survey..., 2000), far below the levels preceding the 1997–1998 crises. The better terms obtained by creditworthy transition economies (smaller margins and longer maturities) reflect a more general recovery from the conditions prevailing during the global financial crisis, in addition to improved economic fundamentals and progress toward EU accession. These terms increasingly differentiate them from other countries in the region. Most of the candidates for EU membership – the Czech Republic, Hungary, Poland, Slovenia and the Baltic states are rated as investment grade risks by at least one international rating agency. Given their prospects for EU accession, international fund managers no longer consider the Czech Republic, Hungary, Poland and Slovenia as emerging market economies (Financial Times, 2001). The stability of the yields on their external bonds during the recent financial turbulence in Argentina and Turkey suggests that this assessment is widely shared.

Other factors have affected perceptions of creditworthiness as well. Croatia and Kazakhstan have benefited from political changes and higher oil prices, respectively. However, countries with sub-investment grade ratings have faced very difficult borrowing terms and some have not been able to borrow at all. Ten transition economies including Belarus lack international credit ratings (International Banking..., 2000).

But obtaining of international credit rating is not the main problem for Belarusian government. According to National Programme of Investment Attraction into Economy up to 2010 great importance is attached to FDI in stimulation investment activity of the country. According to the government, its policy priorities for attracting FDI are:

- promoting the development of new export-oriented and import-substituting industries;
- privatisation of state-owned entities by direct sale;
- creating favourable conditions of portfolio investment;
- involving banks in the concentration of financial resources;
- encouragement of leasing.

Thus, the problem of financial restrictions for Belarus and its industry is one of key problems today. And the tactics of the expanded reproduction of its traditional structure, not oriented on the demand, just aggravates the given problem, causing growth of macroeconomic misbalance. It proves the necessity of re-structuring on the base of FDI, which can provide transfer of technologies, new management approaches and emerging of economic and industrial development in Belarus.

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Zdeněk Szczyrba

Changes of Shopping Behaviour of the Czech Population in the Period of Economic Transformation

Introduction

Besides spatial changes, there have been also substantial changes of shopping behaviour of the consumer population due to the development of modern large-scale commercial concepts in the territory of the Czech Republic. The Czech customer population very quickly modified its previous deep-rooted models of shopping behaviour and got closer to the West-European model of consumption. The observation of this modification in conditions of a relatively small consumer market is very interesting and becomes an object of many investigations, particularly in the field of sociology and psychology. Whereas the consumer psychology explains individuals' shopping behaviour with respect to their value system and realisation needs (Maslow's hierarchy of needs, consumption tree, typology of customers, etc., see e.g. J. Vysekalová, 2004), the sociological view pays attention rather to the identification of target groups of customers for a certain consumption within a market segmentation and even a geographically determined segmentation within the residentially distinct structures (e.g. city x country) or regional and other subcultures (L. G. Schiffman, L. L. Kanuk, 2004). Particularly this socio-geographical aspect becomes the most frequent object of investigation of the so-called behavioural geography, a discipline looking for the relation between the individual's behaviour in space and its spatial exploration.

Czech population in the period of transformation

On the basis of a monitoring of consulting companies Incoma Research and GfK Praha, it is possible to discern the individual stages of the development of shopping behaviour with respect to the adaptation of the Czech population to the individual stages of transformation and globalisation of the Czech retail network. The *first stage*, which ended in 1996, was characterised by a family shopping 2-3 times a week. People usually did not prefer a certain brand name and did not make difference between cheap and expensive goods. The atmosphere of the shopping centre and prices of products were not important for them. Hypermarkets practically did not

exist. The *second stage* lasted from 1997 to 2001, i.e. for the period of the highest increase of large-scale outlets. At that time, customers orientated themselves mainly according to product prices. Cheap goods were bought in discount outlets or in hypermarkets. On the contrary, the *third stage*, lasting since 2001, is already characterised by customers preferring their own favourite outlet or chain of hypermarkets. Customers are more experienced and require a price corresponding to the product quality. In this stage of the development of shopping behaviour, shopping centres offering to their customers rich shopping and entertainment possibilities play an important role in the decision process.

According to the study of J. Spilková (2003), who investigated by the method of observation the movement of customers in a large shopping centre in Prague, Czech customers may be included into one of three groups according to their shopping behaviour. The *first type* of behaviour is typical for those customers who do only specific shopping in the shopping centre, i.e. they visit only a single outlet (usually the hypermarket). Customers of the *second type* follow the modern trend of experience/fun shopping and conceive their stay in the shopping centre as a leisure time activity, going logically through all the outlets. The *third type* is a combination of both the preceding types; the customer visits both the hypermarket, and the other outlets in the shopping gallery.

The results of comparative studies show that in the central Europe, it is the Czech society that changed the most. Among the countries of Visegrad group (V4), it manifested the most significant inclination to hypermarkets and this inclination has been remaining high in the long term (35%). In a long-term horizon, we also register low preferences for small outlets, representing the independent domestic commerce and currently ranking among the least popular with the Czech population (20–25% of preference).

Shopping in hypermarkets and large shopping centres has become so popular with the Czech population over the last years that there is even a feature film depicting this phenomenon that illustrate the transformation of the Czech population into consumer society. The story takes place on a background of the starting hypermarket mania in the Czech Republic and investigates at the same time the impact of promotion on the Czech consumer. It appeared at last that the fiction about the existence of a new hypermarket “Czech Dream” was perfect and many thousands of customers willing to shop succumbed to promotion in such degree that they gathered, a May day of 2003, on a green field in the Prague district of Letňany in order to show to hundreds of thousands (maybe millions) cinema and TV viewers that words as *supermarket* and *hypermarket*, in connection with a good promotion, have almost a “magical” attraction. The very ending of the film shows a crowd of thousands of customers running towards a scene imitating the hypermarket – a large colour curtain fixed on a metal structure (see: Figure 1).



Figure 1. Non-existing hypermarket „Czech Dream”

Source: <http://www.czech-tv.cz/specialy/ceskysen/index.php?load=fotogalerie>

Reasons of changes of shopping behaviour

Decisive changes in shopping behaviour of the Czech population took place with the arrival of supranational commercial chains in the second half of the 1990s. This stage of the transformation of the Czech retail was – and still is, since it is going on – characterised by a wave of a massive expansion of foreign companies in the Czech market. A dynamic expansion of the network of large-scale outlets, shopping centres and other specialised outlets (in particular clothes, drugstores) in dozens of Czech towns is a significant sign of this process. More than 170 hypermarkets and almost 50 large-scale shopping centres were operating in the territory of the Czech Republic at the end of 2004. To this number, we should add around 700 supermarkets, 400 discount outlets as well as several dozens of specialised large-scale outlets selling electric appliances, furniture and “DIY” products. German commercial concerns (Schwarz, Rewe, etc.) and other large commercial chains (e.g. Ahold, Tesco, Carrefour) have assumed leading role in the development of modern large-scale retail network.

From the regional point of view, the highest penetration of large-scale outlets is observed in heavily urbanised areas of the Czech Republic with sufficient buying potential, defining the spheres of interest of commercial chains for their further activities (determining the presence of the individual selling formats). If we simplify, we can say that from the point of view of buying power, the territory of the Czech Republic may be divided into the

“rich” West, where regions exceed the level of 1.00 of the Republic average (Prague: 1.33), and the “poor” East, consisting from regions with a below-average buying potential caused by persisting economic problems. Calculated per 1000 inhabitants, the regions with the largest selling area at the beginning of 2005 were Ústí nad Labem Region (120 m²) and Moravian-Silesian Region (113 m²), followed by Plzeň Region (98 m²) and Prague (89 m²), whereas the all-republic average was 80 m². If compared with year 2002, when the average of the Czech Republic was 62 m² of selling area of hypermarkets per 1000 inhabitants, the level of penetration of hypermarkets increased by more than 25 %¹.

Whereas hypermarkets reach almost the whole market space within the residential system of the Czech Republic (population threshold for the localisation of a hypermarket is approximately 40–50 thousands inhabitants in the centre and upcountry), shopping centres are situated only in the largest cities. The most shopping centres are located in the capital city Prague (12), followed by Brno, the second largest city of the Republic (6). The other large cities have two shopping centres on average (Figure 2). The minimum required population potential for the localisation of shopping centres has stabilised for a longer time at 100 thousands potential customers within the gravitation radius of the centre.

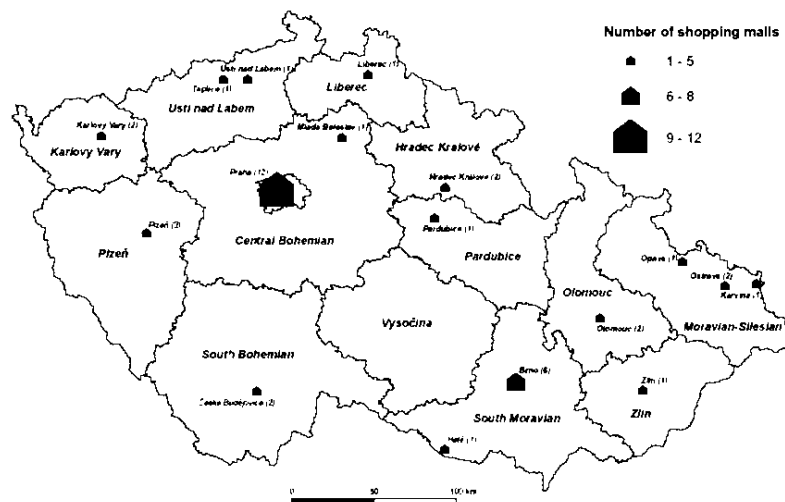


Figure 2. The largest shopping centres in regions of the Czech Republic in 2005

Source: Own studies.

¹ Source: Incoma Research + GfK Praha (2005)

Shopping centres – new spatial element of the transformation of shopping behaviour

The first large shopping centre in the Czech Republic was opened in Prague in 1997 (Centrum Černý Most). There are currently fifty of them and others are rapidly growing (four to six per year). Over the last years, shopping centres have become very popular. They are visited by millions of customers. For instance, the shopping centre Avion Shopping Park in Brno has around seven millions of customers per year and the shopping complex Nový Smíchov in Prague is visited by up to fifteen millions of customers (K. Vitvarová-Vránková, 2005, p. 103).

According to the research Shopping Mall 2004 conducted by companies Incoma Research and GfK Praha, 17% of people in large Czech cities visit shopping centres several times a week, one third once a week. As a result, approximately one half of the urban population visit one of Czech shopping centres at least once a week. More than one quarter of people spend two and more hours in a shopping centre during a single visit (Table 1). Reasons for which people prefer a certain shopping centre include in particular *“pleasant atmosphere”*, whereas *„overall advantageous prices”* are mentioned only in the second place. Most visitors do not limit their visit to shopping in the hypermarket. The other outlets in shopping centres as well as a possibility to

Table 1. Customers in Czech shopping centres (in % of customer population in towns)

Average duration of a single visit	
2 and more hours	28
1-2 hours	50
less than 1 hour	22
Visit rate	
several times a week	17
at least once a week	30
once in two weeks	27
less often or never	26
Reason of the visit	
mainly the hypermarket	51
shopping gallery and hypermarket equally	37
mainly the shopping gallery	12

Source: <http://www.gfk.cz>

spend the leisure time agreeably are also popular. There is already a markedly profiling group of people visiting shopping centres for a number of non-commercial activities, in particular for cinema-going, visits of cafés or restaurants or for practicing a sport.

City of Olomouc: shopping centres and issues of shopping behaviour

Olomouc is a corporate town and the seat of Olomouc Region, established on 1 January 2000 as one of fourteen regions of the Czech Republic. The city itself is the fifth largest city of the Czech Republic (102 thousands inhabitants). The city is situated in the central part of Moravia, i.e. it has a strategic location from the point of view of transport and logistics. This feature is exploited also by foreign commercial chains locating in the city and its surrounding their distribution centres supplying outlets in the eastern part of the state territory.

Since 2002, Olomouc has been among the large Czech cities with a functioning concept of a regional shopping centre in its territory. *Obchodní centrum Haná*, located in the suburb (south-western periphery) consists of a large hypermarket Carrefour and dozens of specialised outlets. The total selling area of the centre comprises 12 thousands m². In 2004, another large shopping centre *Olympia* was opened in the territory of the neighbouring community of Velký Týnec (south-eastern periphery) with a final selling area of 30 thousands m². There is again a central hypermarket (Hypernova), operated by a supranational commercial chain (Ahold). A third concept of the shopping centre, called *Olomouc City*, was put into service in September 2005 (north-western periphery) and extended the existing selling capacity of hypermarket Globus by other 25 thousands m² (40 thousands m² in total). The centre houses a multiplex cinema with seven theatres, surgeries and 70 more sales units located in the shopping gallery. For the present, this is the largest project in the field of shopping centres in the region of the central Moravia.

The development of the network of large-scale outlets in the territory of Olomouc brought a substantial modification of shopping behaviour of its inhabitants, including the upcountry. This was confirmed by a first out of a number of consumer investigations, carried out in April 2003 (Z. Szczyrba, 2004). Answers positively evaluating the entrance of foreign commercial chains in the territory of the city clearly prevailed in a set of 336 informants who were questioned about the level of commercial offer, the expenses or the frequency of shopping in Olomouc large-scale outlets. According to the investigation, most informants currently shop in one of type large-scale outlets whereas shopping in smaller outlets loses its former position and correlates with data for the whole Republic (see above). Shopping activities move more and more outside traditional shopping areas, usually into suburban localities. The investigation also observed which of Olomouc hypermarkets is often or

Table 2. Basic parameters of the radius of the shopping centre Haná Olomouc (in % of customer population)

Distance	Share (in %)
0 – 10 km	65.4
11 – 20 km	18.1
21 – 50 km	10.0
51 – 100 km	5.0
101 and more km	1.5
<i>Average distance: 16.4 km</i>	
Time availability	
0 – 30 min	86.8
31 – 60 min	10.3
61 – 120 min	1.9
121 and more min	1.0
<i>Average time: 22.7 min</i>	

Source: Investigation of the Department of Geography of the Faculty of Natural Sciences of Palacký University, Olomouc, 2005.

Table 3. Shopping Centre Haná Olomouc – relation between the shopping rate and the distance from the shopping centre (in % of customer population)

Distance	Shopping rate				
	several times a week	at least once a week	several times a month	at least once a month	occasionally
0-10 km	23.3	15.0	20.9	17.0	23.8
11-20 km	3.6	10.7	32.1	25.0	28.6
21-50 km	6.2	3.1	18.8	21.9	50.0
51 km	15.8	10.5	15.8	5.3	52.6
<i>Total</i>	<i>17.6</i>	<i>12.8</i>	<i>22.4</i>	<i>18.2</i>	<i>29.0</i>

Source: Investigation of the Department of Geography of the Faculty of Natural Sciences of Palacký University, Olomouc, 2005.

at least occasionally visited by the informants. It appeared that only a small part of them do not have a practical experience with this type of shopping (14%). Many even stated several hypermarkets simultaneously, located within their active information field, which they occasionally visit.

In spring 2005, the shopping behaviour in Olomouc was further investigated by a questionnaire. This investigation should determine significant signs of shopping behaviour of customers of the commercial centre Haná. In total 696 informants in a representative structure were questioned. Questions included in the questionnaire focused particularly on the determination of the shopping radius whose selected geographical parameters are documented in Tables 2-3. It appeared at last that customers show a considerably high willingness to visit this shopping centre. Almost 60 % of customers spend approximately 1 hour in the shopping centre Haná and other 30 % spend there 1-2 hours. Most customers arrive from a distance up to 10 kilometres, but longer distances are not exceptional.

Conclusion

Internationalisation and globalisation in the retail branch in the Czech Republic caused a number of changes. Changes of shopping behaviour of the Czech population are particularly significant in this respect. As we can see, a great number of customers like shopping in modern large-scale outlets and recently also in large shopping centres, representing for them not only shopping possibilities but also a possibility of entertainment and a certain kind of recreation and relaxation. Rapid changes in shopping behaviour are so much apparent that they were depicted even in a feature film, illustrating the transformation of the Czech population into consumer society on an example of a fictitious hypermarket. This is an interesting sociological phenomenon, inspiring, among other things, possibilities of the investigation of its spatial aspects.

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Institutional Barriers for Industrial Restructuring

Introduction

It is well understood now that transition from plan to market economy requires three important types of reforms: liberalization, institutional reform and stabilization. Freeing trade and prices would introduce competition and market prices, while establishment of private ownership, as a key market institution, would introduce profit-oriented incentives within the firm. At the centre of transition is the challenge of reallocating resources and restructuring existing enterprises. The aim of the paper is to show that the lack of economical reforms in Belarus, ante omnia of institutional framework reforming, is leading to constraint on the growth of new sectors that should be able to replace the inefficient state sector, and provide real economical development.

Transition Period: Restructuring and the Role of Institutions

The process of transition to market can be presented as a transformational tetrahedron: liberalization, institutional reforms and stabilization are the basis of efficient restructuring of the economy (Figure 1). The globalization of world economy should be taken in to account: it influences both on the system transformation process in certain country by means of financial and political support and on the restructuring of their production structure via world competition and foreign investment.

If quantitative and qualitative analysis of industrial restructuring directions and effects in transitive countries has been made, the liberalization and stabilization influence on restructuring could and in fact has been carried by many scientists (S. Djankov and P. Murrell, 2000; V. A. Bessonov, 2001), to estimate the role of institutional factor was more complicated. This is not only the problem for former planning economy countries. Ronald H. Coase (1991) in his lecture to the memory of Alfred Nobel said: "These ex-communist countries are advised to move to a market economy, and their leaders wish to do so, but without the appropriate institutions no market economy of any significance is possible. If we knew more about our own economy we would be in a better position to advise them".

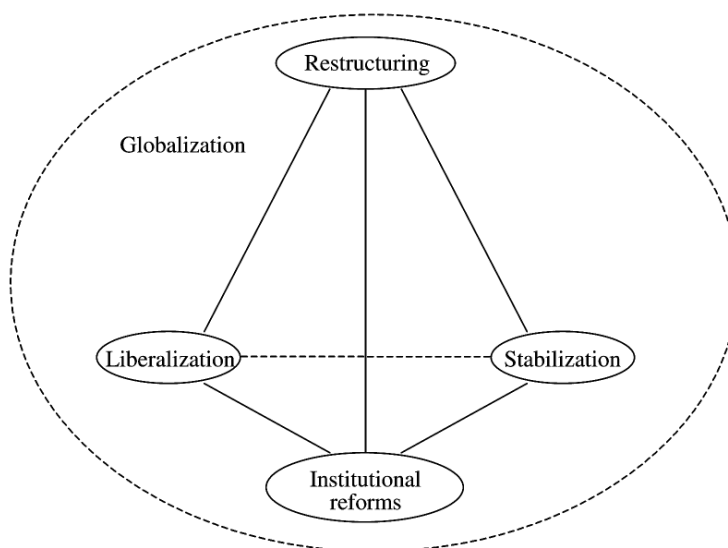


Figure 1. Basic elements of transformation process

Source: Author's own study.

According to D. C. North (1993), "institutions are the humanly devised constraints that structure human interaction. They are made up of formal constraints (rules, laws, constitutions), informal constraints (norms of behavior, conventions, and self imposed codes of conduct), and their enforcement characteristics. Together they define the incentive structure of societies and specifically economies". Therefore, institutions form the incentive structure of a society and the political and economic institutions, in consequence, are the underlying determinant of economic performance.

It was R. Coase (1960) who made the crucial connection between institutions, transaction costs, and neo-classical theory. The neo-classical result of efficient markets only obtains when it is costless to transact. Only under the conditions of costless bargaining will the actors reach the solution that maximizes aggregate income regardless of the institutional arrangements. When it is costly to transact then institutions matter.

The costs of transactions became much higher in the unstable transition economies. All the more the old (and weak as a rule) incentive structure of economy is broken, but new is absent. Thus there is a great possibility that enterprises keep to function in not efficient way or the government could try to decrease high transaction costs in too expensive way. That is why institutional reforms are the key moment in industrial restructuring process in transition period.

So institutions provided a crucial underpinning to market-capitalism development but the process of building these institutions is fraught with difficulties. This was not at the forefront of policy discussions during the early years of tran-

sition. Stabilization, privatization, and liberalization dominated the agenda. Gradually the focus has changed, spurred by studies showing the hefty costs of inefficient state administrations and corruption (D. Kaufmann, 1994) and by the recognition that the relatively poor performance of the CIS countries was not easily explained by differences in more standard reforms. Some scholars have also ascribed the disappointing Czech economic performance to a lack of attention to corporate governance and the financial system during mass privatization (J. C. Coffee, 1996). Later, in contrast to the early neglect, institutions came in vogue (O. Blanchard, M. Kremer, 1997; J. E. Stiglitz, 1999; K. Hoff, J. E. Stiglitz, 2002). But up to now some authors state that the enterprise level evidence on the link between institutional reform and enterprise restructuring is still thin (S. Djankov, P. Murrell, 2000). At the same time they admit that cross-sectoral or cross-county empirical results (e.g. S. Johnson, D. Kaufmann, A. Shleifer, 1997; O. Blanchard, M. Kremer, 1997) are stronger.

An influential paper by O. Blanchard and M. Kremer (1997) has claimed that the absence of contract enforcement mechanisms was a primary factor causing the dramatic fall in output in early transition in the CIS. They hypothesize that weak contract enforcement will be more critical for those enterprises whose input-supply relationships are more complex, a prediction that also follows from the observation that the supply of information and the coordination of decisions was a central task of the now defunct planning apparatus. There are several papers that test this hypothesis using enterprise level data. J. Konings and P. P. Walsh (1998) show statistically significant evidence supporting this prediction for Bulgaria, an insignificant coefficient with the predicted sign for Estonia, and a coefficient with the wrong sign for the Ukraine. D. Marin and M. Schnitzer (1999) provide evidence in support of the hypothesis for the Ukraine, while F. Recanatini and R. Ryterman (2000) fail to support it for Russia.

Institutional reform can lead to improved enterprise efficiency when legal rules are effective in structuring economic transactions and resolving disputes. Economic agents can then turn to public bodies, such as the courts and the police, to enforce those rules. Although a large proportion of transactions everywhere in the world are enforced through private mechanisms, such as reputation, these mechanisms are sometimes costly, especially if the parties feel the need to resort to private force (J. Hay, A. Shleifer, R. Vishny, 1996). Institutional reforms may therefore enhance enterprise restructuring if the legal system replaces more costly private mechanisms of supporting transactions. Focusing on private Vietnamese firms, J. McMillan and Ch. Woodruff (1999) document the nature of enforcement of trading relations when formal institutions are virtually non-existent. Only 9 percent of Vietnamese managers thought the courts could enforce contracts, in contrast to 58 percent of Russian managers and 55 percent of Ukrainian firms (S. Johnson, J. McMillan, Ch. Woodruff, 1999a). Trading relations depend on prior reputation, built using information from business networks or prior experience, with networks used to sanction defaulting customers. But these private mecha-

nisms may lead to inefficiency. Reliance on private sources of information requires frequent visits to the trading partner to gain information, wasting managerial time, and limiting the geographic scope of transactions. Moreover, continuing to deal with customary trading partners means refusing to deal with new entrants, and consequently less restructuring in procurement activities.

Formal business associations and informal networks can also serve as repositories of information and disposers of sanctions, supporting transactional activities. Such associations have emerged spontaneously during the transition process, and have been investigated empirically in the case of the early transition in Russia (F. Recanatini, R. Ryterman, 2000). These studies show that members of business associations are more likely to undertake restructuring activities than are non-member firms: affiliation with a business association reduces the probability of output decline by 47 percent. But there are several reasons why such a relationship might exist, for example supplying information (F. Recanatini, R. Ryterman, 2000) or facilitating the supply of credit when credit markets function poorly (E. Perotti, S. Gelfer, 1999). P. Murrell and R. Ryterman (2000) find that formal associations do not play a large role in enforcing contracts in Russia, although informal networks of older enterprises might be important. Similarly, J. McMillan and Ch. Woodruff (1999) find only a relatively small role for business associations in dispute resolution in Vietnam.

Another problem in absence of institutions is spreading of criminals. The more usual way in which criminal groupings are expected to affect businesses is when such groupings wield their comparative advantage, running protection rackets, stealing goods and cash, etc. Such criminal activity certainly represents a failure of institutional reform, in this case of law enforcement institutions. S. Johnson, J. McMillan and Ch. Woodruff (1999b) find remarkable variation in such activity across Eastern Europe: while less than 1% of Romanian firms make payments for protection, more than 90% of Russian firms do so. But these direct costs are only part of the picture, since criminal activity also reduces the incentive for enterprise restructuring. For example, in examining the determinants of renovations in Warsaw and Moscow shops, T. Frye (2000) finds that the quality of police services is a critical factor. Using the opinion of managers on whether courts can enforce contracts as the principal measure of property rights enforcement, S. Johnson, J. McMillan and Ch. Woodruff (1999) estimate that firms perceiving property rights to be insecure invest nearly 40 percent less than firms that perceive property rights to be adequate. These studies suggest that, at low levels of institutional development, lack of enforceable property rights might be more important than the absence of external financing in determining investment in new projects or expanded capacity.

The reform of corporate governance was at the heart of the early institutional reforms. M. Fox and M. Heller (1999) for Russia, and J. E. Stiglitz (1999) more generally, claim that the failure of corporate governance institutions has been of great

importance. However, there has been little systematic empirical work at the enterprise level on the effects of corporate governance institutions.

Above we have focused on the direct effects of institutional reform on enterprises. But indirect effects might be just as important. When good institutions are lacking, costly substitutes might be needed, perhaps necessitating the so-cold "second-best measures" in other policy areas. P. Murrell (1992) suggests that otherwise unpalatable old institutions might be temporarily useful for this reason. J. E. Stiglitz (1999) argues for delays in privatization to give time for the reform of legal institutions. In contrast, M. Boycko, A. Shleifer and R. W. Vishny (1995) contend that political pressure for legal reform appears only after privatization.

Those owners who are most effective in a world of perfectly functioning institutions might be relatively less effective when corporate governance institutions do not function well or contract enforcement is weak. In examining the implementation of enterprise transactions, Hendley, P. Murrell R. Ryterman (2000) find that increases in both state ownership and employee control raise the effectiveness of enterprise transactions. A decrease in competition increases the success of transactions. The explanation for these results is that alternative mechanisms substitute for weak institutions. Weak contract-enforcement institutions can be more of a problem for outsider owners than for state ownership. Weak corporate governance results in a greater need for ownership concentration (S. Claessens, D. Djankov, 1999), which then limits the sources of outside finance. Increasing competition can initially have deleterious effects (O. Blanchard, M. Kremer, 1997).

Conversely, institutional innovations can help to moderate the deleterious effects of less-than optimal policies. J. Prasnikar and J. Svejnar (1998) use data on 458 Slovenian firms that have not gone through privatization and show that workers appropriate depreciation funds less than other funds, because of a rule that these must be used for investment. Hence a crude institution, a rule and its enforcement, can counter deficiencies in policies elsewhere, for example where workers might be tempted to decapitalize state-owned firms.

Evidently, if institutions are to deserve the prominence in policy deliberations that they presently have, empirical work at the enterprise level is a matter of some urgency. A number of studies suggest that in the absence of credible institutions, some otherwise-sensible economic policies do not work well and in fact might worsen the incentives to restructure. In case of simultaneous inefficiency in other reforms (e.g. monetary) different alternative mechanisms could establish and replace effective institutions for a long time. Barter, large-scale nonpayments, tax evasion, wage arrears are all the examples of such ineffective but steady norms or institutional traps (V. M. Polterovich, 1999). And the state of institutional trap is hard to overtake because of its spreading and stabilizing due to coordination and learning effects among economic agents. In such a situation hysteresis effect arises when to return economic system in efficient condition we need more time and financial resources.

Structural changes in Belarusian industry during transition

Industry is the main sector of the Republic of Belarus and its regions. Its considerable part is concentrated in Minsk city (20.3%) (Table 1). As a whole in Minsk region including the capital, 1/3 of industrial outputs are made. In total amount of the republic industrial production the greater specific weight have three eastern regions – Homiel (18.2%), Vitebsk (17.2%) and Mogilev (12%). As to Grodno and Brest regions, they have reached a higher level of agricultural development with a rather small fraction in industrial production of the republic. The rates of labour productivity growth in their agriculture are higher than average in Belarus.

There are also differences in the territorial location of separate branches. Approximately 50% of *Mechanical engineering production* is concentrated in Minsk,

Table 1. The division of industrial production on the regions of the Republic of Belarus, 2001

Regions	The specific gravity of the region in general industry production									
	Industry	Electric Energy	Fuel	Iron	Chemical	Mechanical Engineering	Timber	Construction Materials	Light Industry	Food Processing
Brest	9.8	6.8	0.3	0.2	1.5	7.8	16.0	15.4	20.6	16.9
Vitebsk	17.2	35.9	53.2	1.1	12.6	4.8	6.5	11.2	21.5	13.7
Homiel	18.2	11.7	45.3	84.3	9.3	9.2	30.1	8.0	7.8	14.8
Grodno	9.9	5.2	0.2	1.0	19.4	5.6	9.5	16.3	8.6	15.8
Minsk-city	20.3	29.4	-	1.9	4.1	49.6	9.9	22.8	17.8	12.2
Miensk	12.6	-	0.9	3.8	25.1	14.4	18.0	6.8	8.4	15.3
Mogilev	12.0	11.0	0.1	7.7	28.0	8.6	10.0	19.5	15.3	11.3
Belarus	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Statistical Yearbook of Belarus, 2001. – Miensk: Minstat, 2002.

84.3 % of *Iron* is made in Homiel region. Practically all production of the republic's *Fuel* branch (98.5%) is massed in Vitebsk and Homiel regions (53.2 and 45.3 % accordingly). At the same time the specialisation of Brest region is *Light* and *Food processing* industries (20,6 and 16,9 % accordingly in total production of these branches in republic).

In light of the marked above the differences in directions and degrees of crisis processes happened in regions have become clear. The greatest decrease of industrial production (55% to the level of 1990) was registered in areas with an obvious industrial specialisation – Vitebsk and Homiel regions.

The branch structure and structural shifts in Belarusian industry are illustrated in the Table 2.

Table 2. Structural shifts in Belarusian industry, in percent

Branch	Employment structure				Assets structure				Production structure			
	1990	1995	2000	2001	1990	1995	2000	2001	1990	1995	2000	2001
Electric Energy	1.7	3.4	3.8	3.9	11.4	11.8	11.9	12.4	2.6	13.8	8.4	9.4
Fuel	1.1	1.4	1.4	1.4	5.0	5.4	6.0	5.7	4.6	4.3	5.8	6.8
Iron	0.6	1.0	1.4	1.5	4.4	2.3	4.6	4.1	0.9	2.4	3.4	3.5
Chemical	6.6	7.7	9.1	9.2	20.2	21.5	22.5	20.7	9.0	14.3	14.2	14.0
Mechanical Engineering	46.8	41.7	37.0	36.8	33.9	33.6	28.9	29.2	34.2	23.3	23.9	24.8
Timber	6.9	8.6	10.7	10.5	3.2	3.6	3.9	4.2	4.4	5.3	5.8	5.6
Construction Materials	5.8	5.9	5.1	5.0	3.8	4.2	5.3	6.6	3.7	5.1	4.1	4.1
Light Industry	17.2	15.6	14.2	13.9	7.4	7.2	6.1	5.4	17.2	8.0	8.6	7.4
Food Processing	7.2	9.1	11.1	11.3	6.2	6.4	7.2	7.4	14.9	17.0	19.3	18.4
Other branches	6.1	5.6	6.2	6.5	4.5	4.0	3.6	4.3	8.5	6.5	6.5	6.0
Total	100	100	100	100	100	100	100	100	100	100	100	100
m rate ¹ , %	–	7.2	6.9	0.8	–	3.1	6.2	3.3	–	22.4	6.5	3.0
Growth rate (industry in total) ² , %	–	76.5	97.8	97.8	–	145.4	99.0	97.0	–	61.4	164.3	105.4

1. m ratio is measured as (3.1) by periods 1990–1995, 1995–2000 and 2000–2001;

2. Growth rates are at constant prices by periods 1995 according to 1990, 2000 to 1995 and 2000 to 2001.

Source: Statistical Yearbook of Belarus, 2001. – Miensk: Minstat, 2002; author's calculations.

The m ratio (U. Valetka, 2002) in the Table 2 shows the quantitative changes in three main industrial structures (employment, assets availability and production) and can be calculated as:

$$m(P, D) = \frac{1}{2} \sum_{i=1}^n |p_i - d_i|,$$

n – number of branches,

p_i – specific gravity of branch i in employment (assets, production) in basic period,

d_i – specific gravity of branch i in employment (assets, production) in accounting period.

Data of the Table 2 show that structural shifts in employment, fixed assets and production are slowed (see m rate dynamics). As a result of measures attempted at a state level since 1996 the tendency to overcoming decrease in industry production has been attained, and industry has reached the level of 1990. But those

Table 3. Some Indicators of Belarusian industry Development (without small enterprises)

Indicator	1990	1996	1999	2000	2001	2002
Number of enterprises	1522	2293	2773	2427	2438	2384
Number of small enterprises (up to 100 employees) ¹	2616	3935	5680	5895	5921	6046
Number of employees, th.	1537	1113	1156	1150	1124	1050
Degree of wear and tear of active part of fixed capital, %	50.0	72.0	76.0	77.0	78.5	79.0
Specific weight of loss-making enterprises, %	0.7	19.6	8.8	18.4	29.7	42.0
Rate of profitability, %	22.3	10.6	17.1	15.8	10.8	10.5

1. In 1998 the number of employees on small enterprises was 109 th., in 2002 – 126 th.

Source: Industry of Belarus, 2002. – Miensk: Minstat, 2002.

measures had mainly an administrative nature. The growth of Belarusian industry was extensive. The indicators of Table 3 shows that low structural activity noted above does not indicate real development of Belarusian industry.

In 2003 the coefficient of depreciation of active part of fixed capital in industry is over 80%. The share of loss-making enterprises increased from 8,8% in 1999 up to 40%. The rate of profitability is still two times lower than at the beginning of transition. This confirms the lack of restructuring in Belarusian industry. It may be caused by lacking of resources for restructuring as a result of inefficient reforms and by deficiency of some kind of reforms as well.

Restructuring and its resources in Belarus

In 2002 Belarusian GDP was about \$14 billions (calculations on the base of average exchange rate). The rate of GDP growth in 2001 and 2002 according to statistical data was 104.1% and 104.7% respectively. Thus in 2002 GDP amounts 96.6% on respect to 1990 and raised since 1996 on 48%. At the same time investments amounts 47.5% on respect to 1990 and raised since 1996 on 23.2%. In 2001 investments were 93.9% over preceding year, in 2002 – 103,2%. The share of foreign direct investments is negligible – in 2002 it contributes only 4% of total (4.2% or \$286 million in the first half of 2003).

Investment has remained low, because of weak financial sectors (constraining domestic borrowing), macroeconomic risks (constraining external borrowing) and soft budget constraints, such as payments arrears and ineffective bankruptcy (distorting profit incentives and inhibiting innovation). For example, banking system assets on 1.01.2003 were just \$5,1 billions or 39% of GDP. Banks credits are only 25.4% of all resources of investments on the beginning of 2003. Creditor indebtedness is 2 times higher then money aggregate M2 and is more then 45% of GDP. Coefficient of enterprises' possibility to pay is only 17.1% (money resources of enterprises on bank accounts in per cent to prolonged creditor indebtedness).

The additional problem is competitiveness of Belarusian goods. Belarus had the highest share of interrepublican trade in total trade before the breakdown of the USSR, at 85.6% (J. Odling-Smee, 1999). The total export of Belarus in 2001 was \$7.43 billions, import – \$8.05 billions. By the end of 2001 the share of CIS countries in Belarus' trade still exceed 65%. At the same time, calculations based on the gravity model predicted that already by 1998 EU would take about 60% of Belarus' trade and the rest of the world – about 30%, while the share of other transition economies in Belarus' trade would be just above 10% (D. Gros, B. Dautebande, 1992). Deviations of actual from predicted trade flows could be attributed but by the low competitiveness of Belarusian products on Western markets caused by the very slow path of restructuring of Belarusian industry.

The low level of restructuring is also supported by data on the dynamics of commodity structure of Belarus foreign trade and revealed comparative advantages (RCA). Both the commodity structure and patterns of RCA have not changed much since 1992 (EBRD..., 1999). Further evidence of the lack of restructuring is the high share of barter in foreign trade transactions (20%).

Basic features of developing market institutions in Belarus

While carrying out reforms, it is necessary to concentrate on the development of private sector. It is known that state sector restructuring is accompanied by redundancies and reduction of workers. The growing new private sector has a big potential to absorb free work force and can help to overcome the social limitation of reform connected with unemployment growth during the restructuring of the large enterprises. First of all it is necessary to reduce the existing market entry – exit barriers for business. An important element of reforms is to create an infrastructure to support the development of private sector. The policy of SME support should have a long-term perspective. It should include the creation of education infrastructure, possibility of small business access to funds through various systems of micro-crediting and insurance of SMEs property. All this is in requirement in Belarus after more then ten years of transition.

In spite of the availability of all the necessary laws and other tools and institutions for the regulation of entrepreneurial activities, Belarus has very few small and medium-sized enterprises. The World Bank states that the number of small and medium sized enterprises in Belarus is 2.5 per thousand people while in the Ukraine it is 5, in Russia – 6, in Poland – 22, in the USA – 74.2, in EU countries – 45 (Belarus..., 2003). Moreover Belarus is the only transformation economy where the number of SMEs is vulnerable. According to the Ministry of Statistics in 1999 there were 26787 SMEs in Belarus. In 2001 there were 25404 SMEs and its number increased up to 29046 in 2002. Belarusian SMEs produce 7% of GDP, and the entire private sector in Belarus produces just about 20% of GDP.

In Belarus wide scale privatization has been suspended. Since 1992 to 2002, 3667 enterprises of national and municipal property have been reformed (Figure 2). During this period 728 open joint stock companies have been set up. 193 enterprises (27%) are private without any share of state property. In 98 enter-

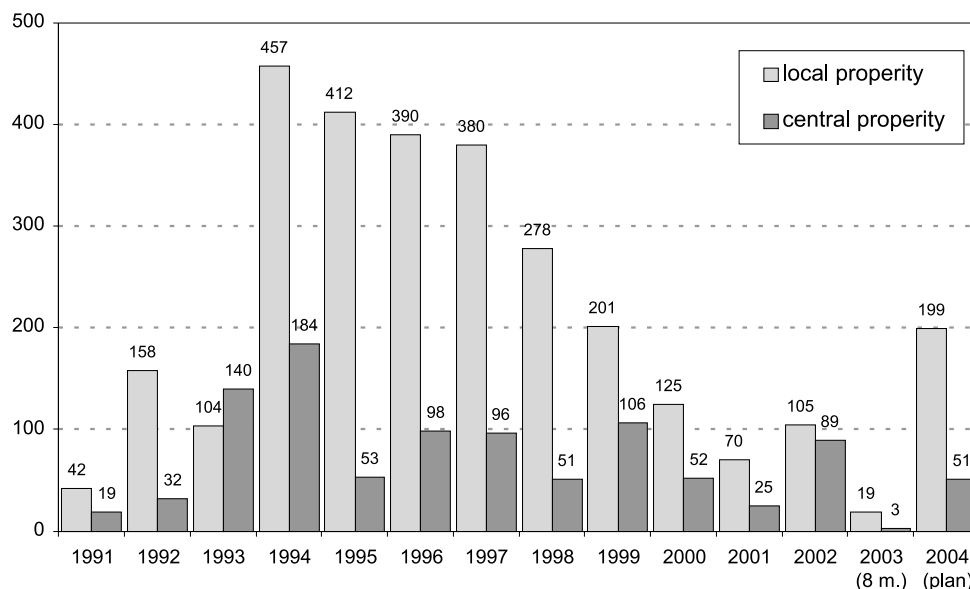


Figure 2. Privatized Enterprises of Central and Local Forms of Property in 1991–2003

Source: SME in Belarus, № 9, 2002, p. 10; author's own data.

prises (13.7%) the share of the state is less than 25%. Thus only one third of enterprises became really private in the process of commercialization. In 46.7% of enterprises the share of the state exceeds 50% plus one share. In fact these enterprises remained state owned. The institute of "golden share" was introduced in 32 enterprises. It gives a representative of the state power to block any decision and to pursue its own policy.

The period between 1995 and 1997 were the most intensive as far as privatization is concerned. Up to 500 enterprises changed the form of property annually. But then the authorities changed their attitude to privatization. In 2000 only 176 enterprises changed the form of property. In 2001 there were 100 of them and in 2002 – 194 enterprises. As of January 1, 2003 only one third of all Belarusian enterprises were transformed into joint stock companies. As we can see at the Figure 2, government do not plan wide privatization in 2004 (just 250 enterprises from about 8 thousand reminded state enterprises are considered to be privatized).

Belarus has legislation that regulates the stock market. There is a Securities Committee and stock exchange. This legislation that regulates securities market allows the effective protection of small stock holders but it is overburdened by administrative regulations. Its procedures for ensuring transparency of deals are vague. It is necessary to have a professional revision of the existing legislation. Based on this analysis, amendments to the securities legislation will be made. In

Belarus private stock holders that have got their shares during preferential privatization (800 th. people) could not sell their shares on the market accordingly to the president decree.

The Civil Code passed in Belarus sets up legal framework for activities of JSC but its norms and the existing court practice do not ensure effective corporate management, nor do they ensure protection of stock holder rights especially minor ones. A repressive tax system, administrative regulation of business, legislation on licensing, certification, price and production cost regulation along with frequent control inspections of numerous state bodies, permanent re-registration of firms – all this make the development of private sector and efficient industrial restructuring extremely problematic.

Conclusions

Belarus is now in a so-cold “catch-22”: given the extremely low credibility of its economic policy and of legal guarantees private owners, both internal and external factors for economic restructuring have eased up, implying a further lowering of the attractiveness of the country for international partners. To break the vicious circle, radical changes in the approaches to problem solving are required in Belarus. Policy-makers should abandon the old prescription of attempting to create a new administrative rule whenever a problem arises, in favour of solving the problem at source, through transparent market-based institutions. Consequently, institutional framework reforming in order to overcome existing constraint on the new private sector development that will lead to ensuing effective industrial restructuring, foreign investments and international credits, is still the core problem in Belarusian economy.

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Irena Smolová

Changes in Exploitation and Mining of Mineral Resources in the Czech Republic in the Period 1990–2004

Introduction

In the last few years, structure changes in the Czech economy, especially in industry, have influenced both the role and the importance of branches of extracting and processing minerals and materials of mineral origin. Market economy caused a restriction or even termination of mining of non-economic deposits, where mining continued with the help of state subventions in the past. All mining was stopped in the deposits of ores, the mining of coal has been limited significantly in many regions. The mining of uranium ores was strictly limited.

Mining spaces in the Czech Republic

At present, (as of 31st December 2004), in the Czech Republic, there are 1005 mining spaces (claim) with a total area of 1 544 km² (2% of the state territory). The delimitation of the mining space is only the beginning of a procedure which will end with permission granted for mining entailing the beginning of the anthropogenic transformation of the relief. The mineral sources in the Czech Republic are owned by the state. They consist of deposits of selected minerals (“exclusive deposits”). Additionally, the protected deposit area is established for exclusive deposits of mineral resources (in accordance with the Mining Law – see below), where construction activities unrelated to the extraction of the exclusive deposit are limited. In 2003, 540 deposits were in operation in the Czech Republic, out of which 132 million tons of mineral resources were extracted (J. Starý, P. Kavina, 2004). In average, 1.7 kg of mineral resources were extracted from each square metre. When considering the fact that nearly 90% of the mineral resources in the Czech Republic are extracted from opencast mines, the extent of anthropogenic influence on the landscape is obvious. The extraction itself is controlled by the applicable Bureau of Mines.

At present, the importance of extraction of mineral resources has been shifted from the area of public interest to the focus of interest of private mining companies which are attempting to gain economic profit from the mineral resources of the territory. This also results in a range of conflicts of interest between municipalities along with citizen-action associations and the mining companies. Never-

theless, the “mining lobby” plays an important role in regional development. In areas with underdeveloped economies in particular the presence of mining companies is approached mostly positively. They represent an important source of income for the municipal budget and often contribute to off-budgetary incomes despite the landscape risks and environmental impacts resulting from the extraction activities. The municipalities where the extractions are carried out benefit from the income in the form of remunerations set by the mining law as settlement for the allotments and compensations from the extracted minerals in accordance with the § 32a of the Law no. 44/1988 Coll., within the meaning of the Law of ČNR no. 541/1991 Coll. The accounts on which the remuneration's are paid are kept by the applicable Bureau of Mines which then distribute this money to the authorised beneficiaries, i.e. to the municipalities and the state budget. The annual payment of an mining space larger than 2 hectares is CZK 10,000 and it is multiplied with each extra km². The annual payment for mining spaces smaller than 2 hectares is CZK 2,000. According to the Mining Law, the annual compensation for the extracted minerals is calculated as a percentile share of the total receipts for the extracted mineral at the actual market price (the maximum share is 10%). 25% of the amount paid to the Bureau of Mines is transferred to the state budget of the Czech Republic. This money is used for reparation of damages to the environment caused by the extraction of exclusive and non-exclusive deposits. The remaining 75% is transferred to the budget of the municipality. Remuneration is paid in accordance with the kind of extracted mineral. The actual rate depends on the kind of mineral resource and is set by Decree no. 617/1992 Coll of the Ministry of Economics, with, for example, 5% for oil and natural gas, 0.5% for underground mined coal, 1.5% for opencast mined coal, 8% for kaolin (China



Figure 1. Extraction of brown coal

Figure 2. Extraction of crude oil
(locality Dambořice)

clay), 10% for high-percentage limestones, 3% for other types of limestone and other cement mineral resources, etc.

Extraction of mineral resources in the Czech Republic

Although in modern history the Czech Republic and the previous state formations within its present area did not rank among leading mining countries, the utilisation of domestic raw deposits was high in the past. Over the course of each individual historical period, priorities in terms of extraction of minerals changed, and this was reflected in the varied intensity of extraction with a number of consequences including noticeable changes in the relief. Ore extraction has, for example, a particularly old tradition with the oldest archaeological evidence of gold panning dating back to the 9th century B.C. In the Middle Ages, Bohemia was the centre for European mining of gold and silver. The last boom in mining was after 1948, during the period of socialist industrialisation when ore deposits were extensively extracted, even at the cost of substantial financial losses. Particularly common was that after long-term historical deep mining which damaged the environment to a relatively limited extent, i.e. without substantial anthropogenic transformations of the relief with a maximum attempt at effectiveness, the mining in the 1950s and 1960s broadly affected vast areas with a number of accompanying adverse effects. Vast opencast mining resulted in the destruction and liquidation of numerous underground mines, but especially the emergence of new anthropogenic shapes on the surface. The extraction was often accompanied by vast regulations of waterways and the emergence of new accumulated waste heap formations. After 1989, ore extraction was cut back considerably and later the mining of base metal deposit (+ Au) in Zlaté Hory was terminated. In 1994, ore extraction was definitively brought to an end in the Czech Republic. At present, the areas affected by extraction have been redeveloped and rehabilitated.

A somewhat different trend may be observed in the mining of deposits for energy producing raw materials. Coal has been mined from the beginning of the industrial revolution and the mining of uranium ore began after World War II. The extraction of energy producing raw materials reached its height in the second half of the 1980s. After 1989, a state reduction programme was launched, and the previous extensive mining was reduced considerably. Additionally, volume and territorial limits were set for coal mining. The extraction of uranium ore has also been substantially reduced and is limited to the Rožná deposit, where the uranium ore is mined by the traditional deep-mining method. In North Bohemia, however, uranium is attained through the leaching of in situ within the arms of the liquidation program at the deposit in Stráž pod Ralskem. In contrast, the extraction of oil has been dynamically developing of late in South Moravia in the area around Hodonín and Břeclav. There is also new interest in the extraction of oil and natural gas in the Beskydy Mountains in the Trojanovice region where vast deposits of black coal have been found. The Trojanovice allotment was designed

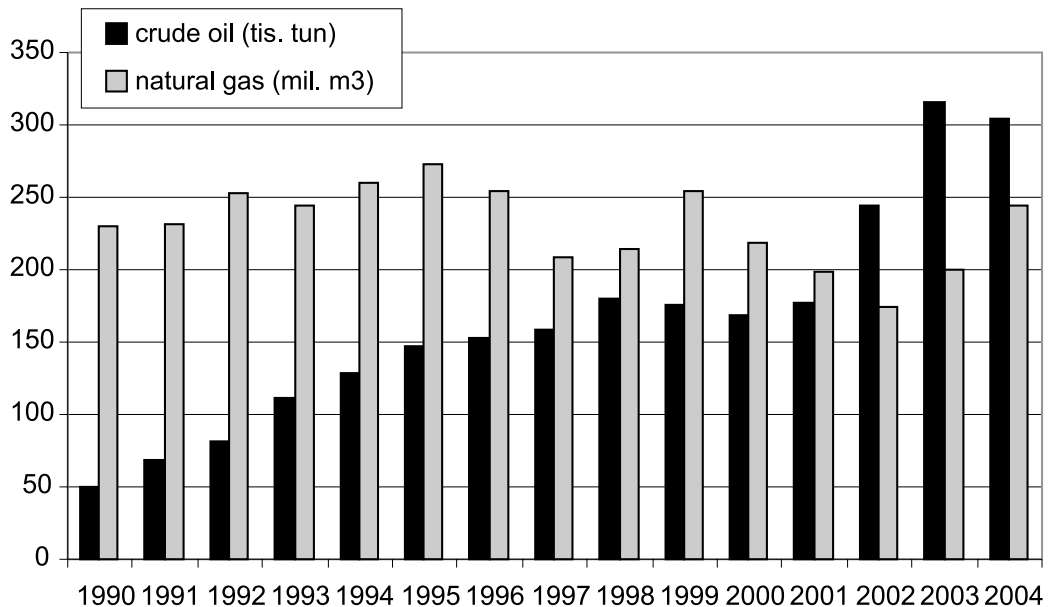


Figure 3. Extraction of crude oil and natural gas in Czech Republic in the period 1990–2004

Source: own studies.

for the purposes of extensive stone-coal extraction back in 1889, and with its area of 63 km² is the largest allotment in the Czech Republic. At present, coal mining is concentrated in two areas: Podkrušnohoří (brown coal) and the Ostrava basin (black coal).

Coal mining in Podkrušnohoří, consisting of the largest destruction to the environment, in terms of volume, in the Czech Republic, began at the end of the 18th century in locales with outcrops of coal seams and in shallow opencast mines. Since the second half of the 19th century, the mining has become more intensive and the North Bohemia coal district has become the most important coal district in Central Europe. Deep mining methods predominated at all of the basins (Chebská, Sokolovská, Severočeská) at that time. From the beginning of the 20th century, the amount of opencast mining has been increasing, resulting in vast devastation to the landscape. While the number of opencast mining was about 25% of the total volume of mined coal at the end of the 1930s, in the 1950s, it had reached an absolute majority. The first reduction in extraction occurred in the southwest area of Podkrušnohoří in 1833, where mineral water resources protection zones were established for spa purposes. Consequently, the highest volume of extraction was concentrated in the Severočeská hnědouhelná pánev (SHP, North Bohemia Brown-Coal Basin) where 3,5 mld. tons of coal have been extracted so far, of which 2,6 mld. tons (74.2 %) in opencast mines. In the Sokolov basin, more than 1 mld. tons of coal have been mined.

Table 1. Extraction of mineral resources in the Czech Republic (1991 and 2004 compared)

Mineral	Extraction (10 ³)		Index number 2004/1990 (%)
	1990	2004	
metallic ores out of uranium ore)	1 025	0	0.0
uranium ore (t)	1 800	134	7.4
hard coal (t)	23 385	13 302	56.9
brown coal (t)	77 736	44 498	57.2
crude oil (t)	50	305	610.0
natural gas (m ³)	230	244	106.1
kaolin (t)	3 378	3 408	100.9
building stone (m ³)	23 634	13 256	56.1
gravel sand, sands (t)	20 359	16 289	80.0
limestones (t)	12 909	10 396	80.5
brick raw materials (m ³)	3 100	2 012	64.9
clays and bentonites (t)	690	714	103.5

Source: R. Makarius (ed.) 1995, 2005; databáze Českého báňského úřadu.

Building minerals

In addition to minerals fuels, industrial minerals represent the most important group of raw materials in the territory of the Czech Republic. In this group the largest reserves are of limestones, kaolin, clays, bentonite and natural (glass and foundry) sand. Other industrial minerals represent smaller nevertheless important raw material potential of the national economy. Kaolin, quartz sand, limestone, clays, feldspar and dimension stone are also important export commodities.

There are very high geological reserves of construction materials – building stone, sand and gravel and brick clays – in the Czech Republic.

The landscape contains giant opencast mines, originating due to large volumes of extracted mineral resources, with noise and dust disturbing the surrounding environment and the natural system of groundwater often disturbed. Among the non-ore raw mineral resources, the extraction of limestone has a special position. The largest opencast mines include Mokrá u Brna, Čertovy schody, Mořina in Český kras, Kotouč near Štramberk, Hranice in Central Moravia and Prachovice in Železné hory. Opencast extraction of limestone often results in disturbances to the hydro-geological environment.

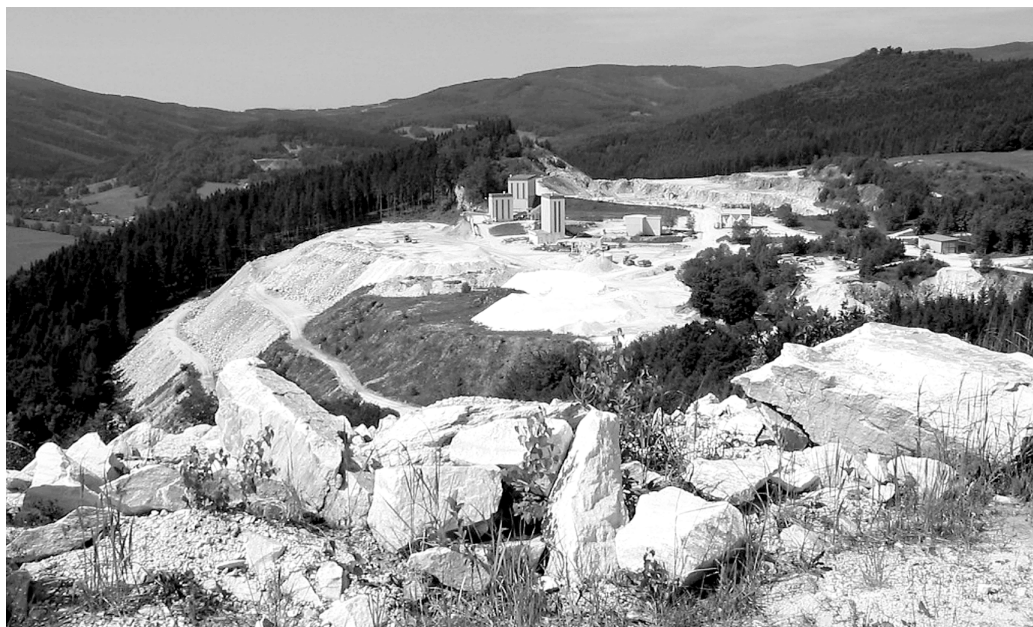
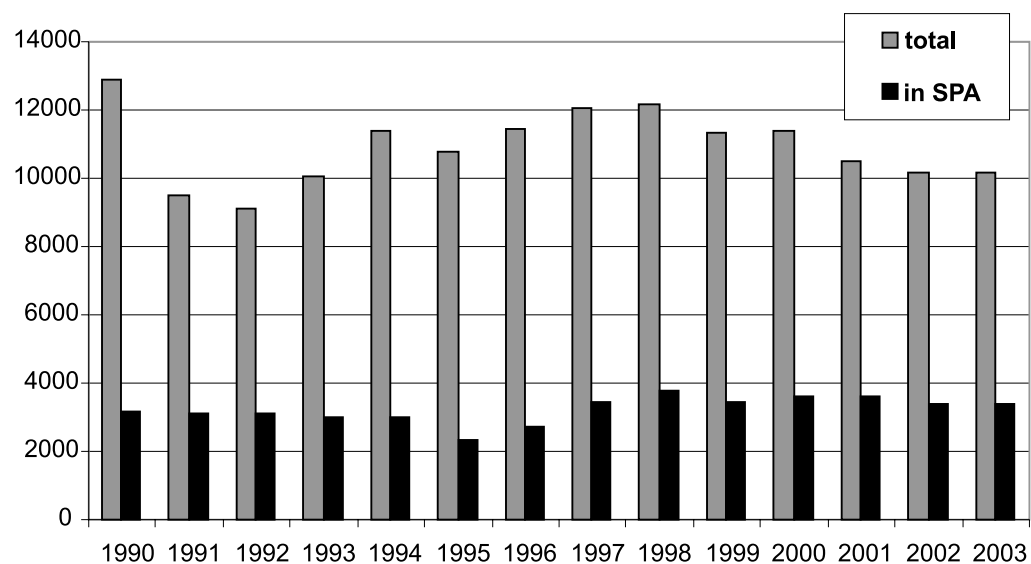


Figure 4. Extraction of limestone (locality Smrčnick)

Source: I. Smolová, 2004.



SPA = specially protected areas

Figure 5. Extraction of limestone in the Czech Republic in the period 1990–2003

Source: R. Makarius (ed.), 1995, 2005; P. Kavina (ed.), 2004; databáze Českého báňského úřadu.

Mineral resource extraction in areas with a special status

Mineral resources are even extracted in the Czech Republic in areas with a special landscape protection status. The strictest rules on the extraction of mineral resources are in areas established by the Nature and Landscape Protection Law no. 114/1992 Coll. In accordance with this law, it is forbidden to extract mineral resources in National Parks (with the exception of extraction of building blocks and sand for construction within the area of the National Park), in the first zone of Protected Landscape Areas (CHKO) and in Nature Reserves. Although extraction in the second and third zones of the Protected Nature Areas is not explicitly forbidden by Law, it is quite difficult to obtain a permit for extraction.

Although the overall extraction of mineral resources in the protected areas has decreased after 1989, the amount of extraction in some of them has actually increased. With some mineral resources, e.g. limestone, feldspar or precious stones, the extraction in the protected areas constitutes a substantial share of the total amount of extraction of a particular mineral. Extraction has been completely discontinued in 7 of the 24 protected areas. While, in contrast, extraction has increased over the last ten years in five protected areas (Železné hory, Slavkovský les, Pálava, Jeseníky and Český kras). This conflict of interests is aggravated by the fact that the majority of the decisions regarding extraction come from the period before 1991, i.e. before the new nature protection laws were passed.



Figure 6 and 7. Extraction of limestone in the Krkonoše Mts. National Park (locality Horní Lánov)

Conclusion

Although in modern history the Czech Republic and the previous state formations within its present area did not rank among leading mining countries, the utilisation of domestic raw deposits was high in the past. Over the course of each individual historical period, priorities in terms of extraction of minerals changed,

and this was reflected in the varied intensity of extraction with a number of consequences including noticeable changes in the relief. At present in the Czech Republic, there are 1005 mining spaces with a total area of 1 544 km². In 2003, 540 deposits were in operation in the Czech Republic, out of which 132 million tons of mineral resources were extracted. At present, the importance of extraction of mineral resources has been shifted from the area of public interest to the focus of interest of private mining companies which are attempting to gain economic profit from the mineral resources of the territory. In the last few years, structure changes in the Czech economy, especially in industry, have influenced both the role and the importance of branches of extracting and processing minerals and materials of mineral origin. Index of mineral production share of the GDP reflects the changes, as it has decreased from 3.7% in 1993 to 1.3% in 2003. There was a small decrease from 7% in 1990 to 2.8% in 2003. Market economy caused a restriction or even termination of mining of non-economic deposits, where mining continued with the help of state subventions in the past. All mining was stopped in the deposits of ores, the mining of coal has been limited significantly in many regions. The mining of uranium ores was strictly limited.

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Elżbieta Mydlowska

Achievement of Sustainable Forestry Assumptions According to the FSC Level Standard

Introduction

Aspiration to preservation of forest permanence, forests resources enlargement and continuity of their use has been the basic principle of forestry since a long time. Acquisition of certificate according to the Principles and Criteria of Good Forestry of Forest Stewardship Council can be the confirmation of proper management tending towards ensuring of permanent and sustainable offering of various functions fulfilled by forests. The certificate is the proof that timber used for production of goods comes from forests cultivated in persistent way in agreement with criteria established on the international scale. It has the significant meaning in the context of rising of attractiveness of timber and its products offered for sale in home and foreign markets. It allows also to protect efficiently forests in the world.

Forest Stewardship Council

Forest Stewardship Council¹ – is an international organisation that has come into being by the initiative of groups representing wood industry, organisations that have arisen to protect natural environment, forestry, organisations of indigenous inhabitants, trade unions and institutions issuing certificates. It was created in order to support and promote forestry taking into account environmental, social and economic aspects as well. Nowadays it consists of 585 members from 67 countries (16.06.2003; FSC Doc. 5.2.2.). Each of them belongs and takes part within the confines of three groups² [chamber] (A. Czech, 1999):

¹ Development of that organisation is strongly supported by World Wide Fund for Nature (WWF) and others extragovernmental, ecological organisations. It was founded in Toronto (Canada) in 1993 after the UN Conference The Earth Top in Rio de Janeiro; nowadays the secretariat is situated in Oxaca (Mexico) (Raport..., 2002; A. Czech, 1999).

² The belonging criterion is an interest domain. Within the confines of each of those three groups two subgroups exist. The country of origin decides about affiliation – the North or South subgroup (A. Czech, 1999).

1. Environmental Chamber – designed for unprofitable and extragovernmental organisations as well as individual persons that are interested in biodiversity and environmental protection problems and their connection with economic and social aspects.
2. Social chamber – designed for indigenous inhabitants, extragovernmental organisations, social movements and individual persons engaged in promoting sustainable forestry in economic, environmental and social aspects.
3. Economic chamber – designed for members interested in economic aspects of forestry i.e. producers, certificate units, wood owners, trade agents, salesmen, manufactures and consulting firms.

FSC Principles and Criteria are the co-operation results of those groups. They describe how to lead forestry to be economically justified, ecologically proper and good for local societies (Table 1).

The obtained certificate means that forestry led by a particular firm is in agreement with FSC Principles and Criteria of good forestry.

Forestry certificate system

FSC certificate system consists of a complete pack: indicatory standards in form of 10 principles and 56 certificate criteria, the international accreditation program of certificate organisations, the control certificate of product origin, the trademark that can be applied to sign products from certificated forests and the promotion program (Raport..., 2002).

The base of FSC system operation is ability to decide to give a title of “proper developed forests” only to owners that deserve the title from natural, social and economic point of view of all the groups interested in forestry.

The essence of FSC system is the necessity of fulfilment of basic requirements by a particular forest or a timber-processing firm before receiving the certificate. Together with it FSC trademark is awarded that informs a potential client that timber comes from a well-developed forest.

The certification process consists of three basic stages (Figure 1):

1. The preparatory phase that contains the choice of the best suitable certificate and the best certificate firm.
2. The main phase that contains the full assessment of forestry: a public consultation, an index estimation and terrain visits. If quality of forestry is sufficient – the FSC certificate is given for 5 years. During that time economic indexes are controlled regularly.
3. Surveillance (audits) – the audit in forests is held once or more a year depending on information flowing to certificate bodies. Everybody can come to a certificate firm with comments on managed forestry.

The certificate validity can be prolonged for next 5 years after terrain visits and the consultation with all the interested parties.

Table 1. Principles of Good Forestry FSC

No.	Principles
	COMPLIANCE WITH LAWS AND FSC PRINCIPLES
1	Forest management shall respect all applicable laws of the country in which they occur, and international treaties and agreements to which the country is a signatory, and comply with all FSC Principles and Criteria.
	TENURE AND USE RIGHTS AND RESPONSIBILITIES
2	Long-term tenure and use rights to the land and forest resources shall be clearly defined, documented and legally established.
	INDIGENOUS PEOPLES' RIGHTS
3	The legal and customary rights of indigenous peoples to own, use and manage their lands, territories, and resources shall be recognised and respected.
	COMMUNITY RELATIONS AND WORKER'S RIGHTS
4	Forest management operations shall maintain or enhance the long-term social and economic well-being of forest workers and local communities.
	BENEFITS FROM THE FOREST
5	Forest management operations shall encourage the efficient use of the forest's multiple products and services to ensure economic viability and a wide range of environmental and social benefits.
	ENVIRONMENTAL IMPACT
6	Forest management shall conserve biological diversity and its associated values, water resources, soils, and unique and fragile ecosystems and landscapes, and, by so doing, maintain the ecological functions and the integrity of the forest.
	MANAGEMENT PLAN
7	A management plan – appropriate to the scale and intensity of the operations – shall be written, implemented, and kept up to date. The long term objectives of management, and the means of achieving them, shall be clearly stated.
	MONITORING AND ASSESSMENT
8	Monitoring shall be conducted – appropriate to the scale and intensity of forest management to assess the condition of the forest, yields of forest products, chain of custody, management activities and their social and environmental impacts.
	MAINTENANCE OF HIGH CONSERVATION VALUE FORESTS
9	Management activities in high conservation value forests shall maintain or enhance the attributes that define such forests. Decisions regarding high conservation value forests shall always be considered in the context of a precautionary approach.
	PLANTATIONS
10	Plantations shall be planned and managed in accordance with Principles and Criteria. While plantations can provide an array of social and economic benefits, and can contribute to satisfying the world's needs for forest products, they should complement the management of, reduce pressures on, and promote the restoration and conservation of natural forests.

Source: A. Czech, 1999; A. Łopata, 2000; Projekt..., 2002.

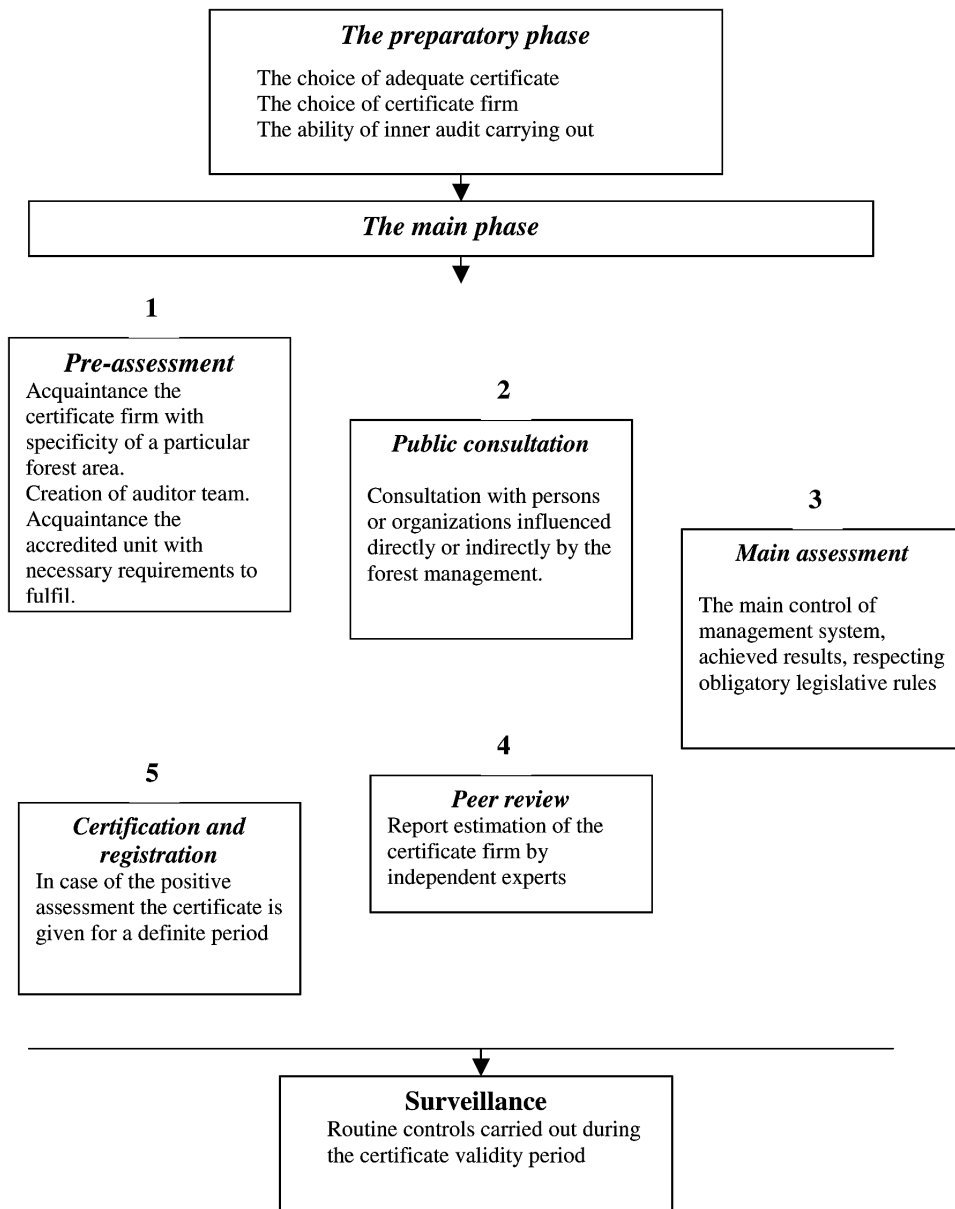


Figure 1. The certificate process scheme

Source: According to A. Czech, 1999; A. Łopata, 2000.

FSC as an organisation doesn't carry out forest certification³. It gives accreditation⁴ to certificate firms, which according to FSC Principles and Criteria draw up their own certificate program. As local needs, abilities and conditions require, different certification processes can be applied. Some of them are used for forestry others for timber production processes.

Nowadays 12 firms have the accreditation to issue certificates: Chain-of-Custody Certification (CoC) – for each processing firm and Forest Management Certification (FM) – for forests (the state on 25 June 2003, Table 2). Issued certificate allows also to use FSC name and FSC trademark on products that are made from timber coming from forests with FSC certificate. It should be mentioned that accreditation is not obligatory. The decision is made by the forest manager.

FSC standards refer to all types of forests and can be applied all over the world. But taking into consideration great diversity of forests and others aspects influ-

Table 2. List of FSC Accredited Certification Bodies

No.	Certificate firm / program	The country of origin	Accreditation type
1	KPMG FCSI - Forest Certification Services Inc	Canada	FM
2	GFA Terra Systems	Germany	FM & CoC
3	ICILA - Istituto per la Certificazione ed I Servizi per Imprese dell'arrendamento e del Legno	Italy	CoC
4	Eurocertifor	France	FM & CoC
5	IMO - Institut für Marktökologie	Switzerland	FM & CoC
6	SQS - Swiss Association for Quality and Management Systems	Switzerland	FM & CoC
7	SKAL International /Skal International Forestry Certification Programme	The Netherlands	FM & CoC
8	BM TRADA Certification	United Kingdom	CoC
9	SGS - Société Générale de Surveillance /Qualifor	United Kingdom	FM & CoC
10	Soil Association /Woodmark	United Kingdom	FM & CoC
11	Rainforest Alliance /SmartWood (SW)	United States	FM & CoC
12	SCS - Scientific Certification Systems /Forest Conservation Program	United States	FM & CoC

Source: According to FSC Doc. 5.3.1, 2003.

³ Certification – third party's action – certifying unit heading to show that the proper level of confidence was provided as for the conformity of the product and its production process with the requirements.

⁴ Accreditation – a formal acknowledgement by a national accrediting unit certification unit's competences, a laboratory or control unit for fulfilling tasks.

encing forestry, several countries (among them Sweden, Germany, The Great Britain and Belgium), decided to create their own, national standards basing on FSC Principles and Criteria accepted by FSC. Certificate firms must use national standards if they exists, otherwise they implement international standards taking into consideration suitable and used in a particular country laws, regulations and comments from social consultations (A. Łopata, 2000).

Till 30 June 2003 r. certifications in FSC system have been carried out on almost 37.457 thousands hectares of forests in 57 countries, near 62 % in Europe (25 countries) (Figure 2).

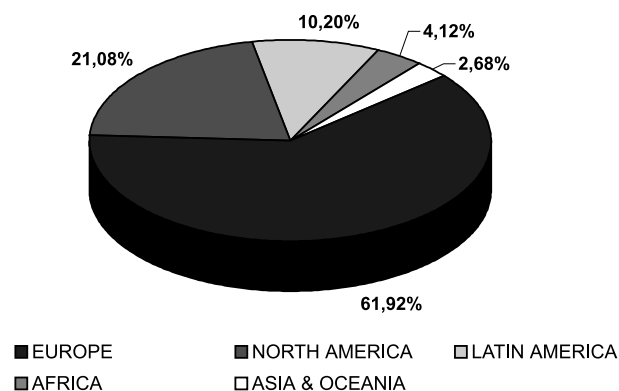


Figure 2. Percentage of certified forests endorsed by FSC

Source: Own compilation basing on FSC Doc. 5.3.3., 2003.

Sweden, Poland, Canada and the United States belong to leading countries according to certified forests. They possess together almost 60% of certified forests (Table 3).

The certification process of forestry in Poland started in 1996 thanks to initiative and funds of British firms that imported wood and timber products. In Great Britain Buyers' group⁵ "95+GROUP" exists uniting more than 90 representatives of timber industry. They committed to supporting sustainable forestry through wood purchase only from certificated forests (A. Łopata 1999). There is required the FSC certificate treated as an environmental marketing tool.

The rate of Polish forests in total wood surface possessing FSC certificate is significant, jointly 6 790 669 ha of wood surface that is 75.50% of wood surface in Poland. In general it concerns the public forest sector that is the State property: in management of the State Forests are 6 786 978 ha (97.14% of the surface adminis-

⁵ Buyers' group – the association of firms representing wood industry that committed to supporting sustainable forestry ideas and its certification through the purchase only certified timber (A. Łopata, 1999).

Table 3. Forest Management Certification by country

No.	Country	FM Certificates	Certified Area (ha)	Certified Area (%)
1	<i>Sweden</i>	22	7 540 034	20.13
2	<i>Poland</i>	15	6 790 669	18.13
3	<i>Canada</i>	16	4 208 901	11.24
4	<i>United States of America</i>	98	3 686 695	9.84
5	Croatia	1	1 988 480	5.31
6	Latvia	11	1 685 932	4.50
7	Russia	6	1 377 039	3.68
8	Brazil	31	1 303 296	3.48
9	South Africa	17	1 301 305	3.47
10	United Kingdom	39	1 126 433	3.01
11	Estonia	2	1 063 517	2.84
12	Bolivia	8	803 986	2.15
13	New Zealand	12	610 673	1.63
14	Mexico	31	572 130	1.53
15	Germany	59	447 035	1.19
16	Ireland	1	438 000	1.17
17	Guatemala	16	435 090	1.16
18	Otehrs (40 countires)	134	2 077 685	5.54
Grand total		519	37 456 900	100

Source: Own compilation basing on FSC Doc. 5.3.3., 2003.

tered by the State Forests) and the Forest Experimental Laboratory in Rogowo – 3 691 ha, operating within the confines of Forest Department of Main School of Farm Holding (Table 4).

“The State Forests” National Forest Holding consists of 17 Regional Directorates⁶ (Figure 3). Till nowadays (June 2003) the certificate FSC was given to 16 from 17 Regional Directorates of State (RDSF) Forests and Forest Experimental Laboratory in Rogowo⁷. During the certification process there are Forest Experimental Laboratory in Siemianice and Regional Directorates of State Forests in

⁶ “The State Forests” National Forest Holding administers forests that are the State property (without national parks, resources of state farm property and possessed for perpetual use). Within the confines of held management the State Forests leads forestry, administers grounds as well as others immovables and movables related to forestry. It leads the evidence of State property and establishes its value, it represents the coffers of the State within the confines of administered estate. Supervision over the State Forests holds the Minister of Environment (Act on forests from 28 Sept 1991 with later changes). The general manager of the State Forests is responsible for wood state. He manages the whole forestry with the help of 17 regional managers of regional managements of State Forests.

⁷ Simultaneously RDLP possess the certificate of Chain-of-Custody Certification.

Table 4. The structure of forest property in Poland (31 XII 2002)

Specification	Surface	
	Thou. ha	%
Total	8994	100
Public forests	7363	82.6
The State property:	7283	81.7
1. Management of the State Forests	6987	78.4
2. National parks	181	2.0
3. Others	115	1.3
Community property	80	0.9
Private forests:	1555	17.4
1. Private persons	1458	16.4
2. Land communities	68	0.8
3. Agriculture productive co-operative	8	0.1
4. Others	21	0.2

Source: Raport o stanie lasów w Polsce, 2003.



Figure 3. Regional Directorates of State Forests in Poland

Source: Own compilation basing on: data from Information Centre of the State Forests and www.lasypanstwowe.pl.

Table 5. Polish certified forests endorsed by FSC

Firm	City	Issue date	Expiry date	Area [ha]	FSC code
Regional Directorate of State Forests in Katowice	Katowice	2002	2007	635 000	SGS-FM/COC-0015
Regional Directorates of State Forests in Szczecinek	Szczecinek	2001	2006	622 563	SGS-FM/COC-0008
Regional Directorate of State Forests in Szczecin	Szczecin	1999	2004	612 937	SGS-FM/COC-0243
Regional Directorate of State Forests in Olsztyn	Olsztyn	2003	2008	570 631	SGS-FM/COC-1259
Regional Directorate of State Forests in Białystok	Białystok	2000	2005	524 780	SGS-FM/COC-0428
Regional Directorate of State Forests in Wrocław	Wrocław	1998	2003	511 340	SGS-FM/COC-0177
Regional Directorate of State Forests in Poznań	Poznań	2003	2007	440 495	SW-FM/COC-237
Regional Directorate of State Forests in Zielona Góra	Zielona Góra	2001	2006	428 374	SGS-FM/COC-0739
Regional Directorate of State Forests in Toruń	Toruń	2002	2007	421 000	SGS-FM/COC-0916
Regional Directorate of State Forests in Lublin	Lublin	2003	2008	400 331	SGS-FM/COC-1260
Regional Directorate of State Forests in Piła	Piła	2003	2007	346 882	SW-FM/COC-233
Regional Directorate of State Forests in Radom	Radom	2003	2008	324 535	SW-FM/COC-250
Regional Directorate of State Forests in Gdańsk	Gdańsk	2002	2006	298 000	SGS-FM/COC-0007
Regional Directorate of State Forests in Łódź	Łódź	2003	2008	292 628	SW-FM/COC-251
Regional Directorate of State Forests in Kraków	Kraków	1998	2003	173 166	SGS-FM/COC-0086
Regional Directorate of State Forests in Warszawa	Warszawa	2003	2008	184 317	SGS-FM/COC-1357
Experimental Forests in Rogów	Rogów	2003	2008	3 691	SW-FM/COC-244

Source: Own compilation basing on: data from Information Centre of the State Forests, FSC Doc. 5.3.3., 2003; Information Bulletin of the State Forests, 2003 (no. 2, 3, 5, 6).

Warsaw and Krosno (Table 5). The result of Poland is placed second in the world (Sweden is the first) considering forest surfaces with the FSC certificate.

Forestry certificates were carried out by two firms: SGS Poland and SmartWood – NEPCon/Natural Systems (Rainforest Alliance). The firm identification can be done basing on certificate number FSC.

Control certificate of the product origin

Control certificate of the product origin allows to follow all the path of prepared product beginning from the raw material from in a forest through each stage of the production till a market shelf. The aim of the control is to check if at each stage certificated and not certificated timber mixing doesn't follow. The awarded certificate means that the control of all the process of formation and distribution,

starting from a tree growing in a forest, through a transport to a sawmill and its processing, circulation of raw material in further production stages, ending on distribution and sale was performed (A. Łopata, 2000). In order to keep the FSC trade mark all the firms that want to product, buy and sell certified timber products must possess Chain-of-Custody certificate. It refers to owners and managers of forests, firms gaining wood, sawmills, producers, agents and wholesale dealers. Exception is only for firms selling prepared products to consumers.

The given certificate allows a producer to use FSC trademark on a product (Figure 4).



Figure 4. Trademark FSC

Next to the FSC logo there is always a number describing very concretely given FSC certificate and the certificate firm that admitted the certification (Figure 5).

The FSC control certificate of product origin possess jointly 2 557 firms (August 2003) from 60 countries. Most of them are in Europe – 1431, that is about 60% of total amount, the least in Africa – only 5.01% (Figure 6).



„Timber in this product comes from proper manager forests, certified independently according to rules of Forest Stewardship Council”

Figure 5. The label of wood carbon produced by Gryfskand firm from timber from the Regional Directorate of State Forests in Szczecin

Despite dominating role of Europe, in the United States the maximum number of COC were issued – 396 (15% of all the certificates). The United Kingdom, Germany and Netherlands are the next countries.

Poland is the fifth taking the COC certificates into consideration. Control certificates of product origin have got 155 firms of timber processing, specialising

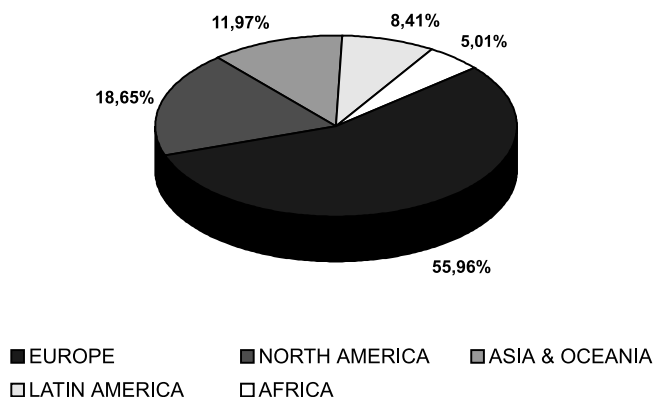


Figure 6. Percentage of certified firms endorsed by FSC

Source: Own compilation basing on materials from FSC ArbeitsGruppe Deutschlande.

among others in board production, charcoal, floors, fencing, garden and kitchen furniture as well as tools. The certificate system was carried out by 5 firms: SGS, SW, SCS, GFA and SKAL – compare with Table 2. The SGS firm is the leader that issued 84.5% of all the certificates. Thanks to the certificate each firm can buy

Table 6. Chain-of-Custody Certification by country

No.	Country	CoC Certificates
1	<i>United States of America</i>	396
2	<i>United Kingdom</i>	295
3	Germany	197
4	Netherlands	181
5	Poland	155
6	Brazil	133
7	South Africa	112
8	Sweden	111
9	Switzerland	111
10	Japan	86
11	Canada	81
12	Italy	62
13	Belgium	58
14	Latvia	55
15	New Zealand	51
16	Others (45 countries)	473

Source: Own compilation basing on materials from FSC ArbeitsGruppe Deutschlande.

and/or sell timber to other certified tradesmen and use the logo of FSC on certified products.

Many products with FSC trademark are at Polish market. However the information on sustainable forestry and as a result on products with FSC logo is very modest. First of all potential purchasers of timber articles don't know about certification. But what should be emphasised they decide about success of certification idea of forests and goods.

Conclusions

The demand on "ecological" products and services constantly grows. The economical success depends highly on "EKO" label reliability. Signing of goods with ecological trademarks is the way of market influencing. Ecolabels, indicating products that fulfil requirements of environmental protection, help customers during shopping. The client consciously choosing ecolabelled products forms the demand (so he has an impact on the supply) and starts to have an influence on the improvement of environmental state.

In the recent years the development of markets followed, on which purchasers of timber articles require certificates issued by independent organisations. The certificate is the proof that timber used for production of goods comes from forests cultivated in persistent way in agreement with criteria established on the international scale.

The possessed FSC certificate is a guarantee that a product, a service or a process are produced in accordance with principles of sustainable forestry and can be a perfect tool of environmental marketing.

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Natalia A. Klimenko

Spatial Planning as a Basis of Investment Capacity of a Region

Now in Russia it takes place an underestimation of a practical significance of spatial planning in problem solving facing to country, in particular, in an acceleration of the economical growth rate and heightening of competitive strength of the Russian economics, in consolidation not only companies, but also of authority patterns takes place.

Substance of spatial planning (or town-planning) not in building cities, but in supply of the conceptual approach to entity of territories of all levels, i.e. in forming state policies, first of all, in sphere of property and land use ratios. According to the acting legislation any usage and the progressing of territories is carried on pursuant to the affirmed town-planning documentation.

The Kaliningrad oblast is the one of few locales of Russia, where per the last years is active the new approaches of spatial planning adequate the new Russian legislation and socio-economic realities are designed. Two parallel directions lies a basic principle of the town-planning documentation working out:

- «traditional designing» – from gathering and analysis of input data, through a cost and benefits analysis of territories and forecast socio-economic dynamic to the design plan;
- «designing through the investment offers» – from data acquisition on the available investment offers, through the feasibility report of the investment design to an estimation of its territorial influencing and actuation in the design plan.

In 2003 the operation which is still not having of analogs in Russian Federation, on working out the Territorial complex scheme of spatial planning of the Kaliningrad oblast and its parts (TKC) was completed. The purpose of the TKC was the elaboration of spatial planning policy till 2030 supplying ecological stable and competitive functioning of the Kaliningrad oblast, its dynamical progressing in conditions of strategic interplay between Russian Federation and countries of the Baltic Sea region.

In frameworks of the TKC on the basis of comprehensive analysis of problems and prospects for the oblast development the scheme of zones and medium of investment was designed. The basic offers on medium boundaries of prime town-planning budgeting and progressing, and also offer on forming investment zones

and territories of top-priority economical progressing with determination of measures on their infrastructural supply are mirrored in it.

The zones of prime town-planning progressing and the constructions are determined as following:

- territory of Kaliningrad city, as a regional center, and zone of its perspective spatial development;
- territory of forming the Chernyahovsk–Gusev agglomeration, as a subregional center of a regional system of moving;
- territory of the Sovetsk–Neman agglomeration, as a local industrial zone;
- complex of an international airport “Hrabrovo”;
- the Kaliningrad–Baltiisk port complex;
- the Coastal functional recreational zone;
- the Kurshako–Mazursky water route;
- tourist and recreational zones of an oblast;
- fields of valuable mineral resources (amber, oil);
- zones of primary progressing of agricultural production.

As the basic measures on infrastructural supply of development of prime town-planning progressing and the investments zones are determined:

- building and reconstruction of highways sections of national and regional significance;
- building of railway, including sections Gusev–Goldap, brunch-line to terminals of the Kaliningrad–Baltiisk port complex; modernization and electrification of all railways in the oblast;
- construction and modernization of frontier points;
- reconstruction and increasing capacity of a gas pipeline “Vilnius–Kaliningrad”; building of gas pipelines to settlements as Neman, Sovetsk, Chernyahovs and Gusev, Polessk, Gvardeysk, Svetly, Baltiisk, Yantarny;
- development and construction of an infrastructural complex of oil extracting on a field Kravtsovskoye (D-6);
- modernization of an airport “Hrabrovo” on norms an international air service.

The given schema is generally reflects the frame conditions of investment activity organization in Kaliningrad oblast pursuant to policy of its socio-economic development.

At consequent stages of town-planning budgeting (at a level of separate settlements) the frame conditions acquire nature of the investment offers on certain sites. So, at present the working out of a Master Plan of the Coastal functional recreational zone (CFRZ) on a territory of 60.5 thousand hectares is completed.

On the basis of cost and benefits analysis the have been chosen the territories, which ones on a complex of the factors are favorable for development of a set of functions within the CFRZ.

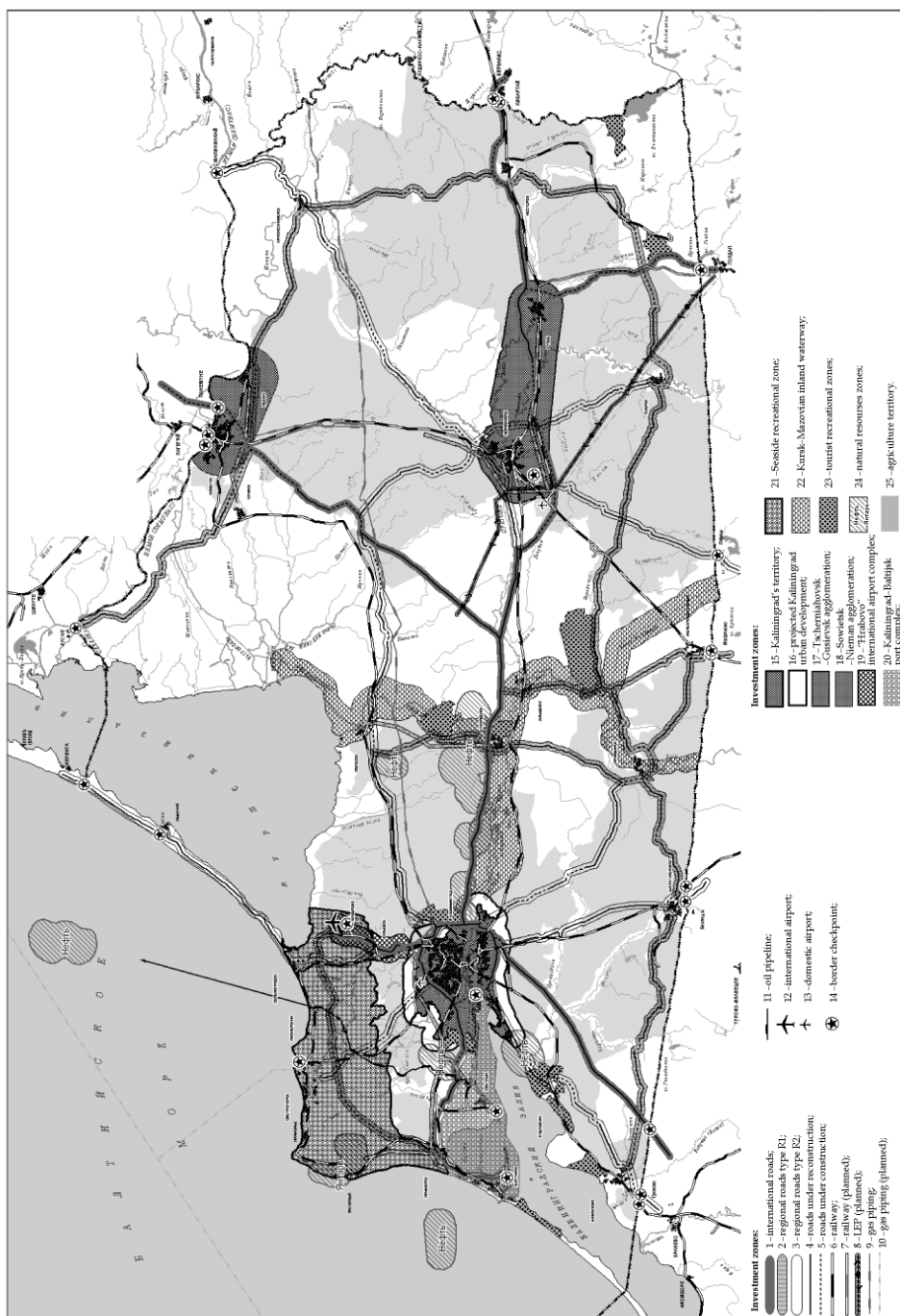
1. Spatial development of suburban zones of cities of Kaliningrad, Zelenogradsk, Svetlogorsk, Pionersky, Baltiisk, Svetly, including:
 - territories of housing;

- territories of secondary accommodation (summer residence, dacha, cottage);
 - territories of the manufacturing and municipal service sites;
 - territories of large commercial sites (wholesale store, trade enterprises, markets);
 - territories for mass short-term recreation of the townspeople;
 - territories of plants of a transport infrastructure;
 - territories of engineering infrastructure.
2. Development of sites exploiting unique natural and cultural (historical) resources of this part of the Kaliningrad oblast, including:
- territories of balneal sites of sanatorium treatment;
 - territories of long-term and short-term resorts and recreational treatment;
 - territories of tourist sites.
3. Landscapes protection and rational development.

In bridge with a Master Plan of the CFRZ the working out is carried on Master plans of coastal cities: Svetlogorsk, Zelenogradsk, Pionersk, Yantarny.

Thus, spatial planning (town-planning) activity is one of governing factors of an investment climate forming in locale by means of:

- involvements in forming regional investment policy which is an immediate activity of government bodies on creation of favorable conditions for investment activity;
- developments of frame conditions of regulation and stimulation of investment activity in locale on the basis of investment zoning;
- decrease of resource and budget capacity of investment environment, cutting of the domestic budgets deficit and heightening of competitive strength of territories;
- development of a of data base for investors on stands of priorities of the investment project for economy of locale as well as spatial conditions and alternatives to its realization.



Attachment 1. Diagram of projected development zones of Kaliningrad Oblast

Source: Department of architecture and urban development, Administration of Kaliningrad Oblast.





The Department of Regional Development Geography of the University of Gdańsk was established on July 1, 1997 and continues to develop the accomplishments of the Maritime Geographical Economy Department of the University of Gdańsk, headed for many years by prof. dr hab. Jerzy Zaleski. The present department is headed by dr hab. Tadeusz Palmowski, and includes the following staff members: dr Tomasz Michalski, dr Małgorzata Pacuk, dr Jan Wendt, Renata Anisiewicz MA, Konrad Kondratowicz MA,

Krzysztof Kopeć MA, Maciej Tarkowski MA, Hanna Stodołowa (Department Office Staff).

Theoretical research in the University Department of Regional Development Geography focuses on issues relating to:

- Process of social, economic and political changes in coastal regions;
- Social, structural and economic transformational processes in European post communist countries.

The main geographical area of research progressed by the Department staff covers:

- Baltic Europe;
- Central and Eastern Europe.

Research issues undertaken by the Department staff concern:

- Social and economic transformations of coastal towns and regions;
- Social and economic transformations of Polish cities and their suburbs;
- Conditions and factors affecting the development of regions, towns and seaside resorts;
- Development of band structure in Baltic Europe development;
- The role of marine and land transport and transition in developing the economy of coastal regions;
- Change in the geopolitical importance of the Kaliningrad district;
- Spatial aspects of social, economic, political and ecological transformation processes in Baltic Europe;
- The development of waterfronts in coastal towns on the example of Baltic Europe centres;
- Social and economic conditions of the functioning and transformation of coastal systems man – environment;
- Geopolitical conditions of exploiting marine resources and values;
- The problem of social awareness of the maritime, coastal and Pomeranian issues;
- Territorial zoning of power in Poland;
- Geopolitical conditions of life democratisation processes and economic transformation in Central and Eastern Europe;
- Consequences of expanding European Union and NATO to include Central European states;
- Demographic and health transformations in post communist countries.